

EIGHT PAGES
FROM SUNDAY'S
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THE WEEK IN REVIEW
INSIDE TODAY

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Increase in Soviet subs off U.S. coast

MOSCOW — Defence Minister Dmitri Ustinov said yesterday that Moscow had increased the number of submarines off the U.S. coast and could deliver a nuclear strike on American targets in 10 minutes.

In an interview with the official news agency Tass, Ustinov also warned that the Soviet Union would increase the number of missiles on its own territory and in Eastern Europe each time new U.S. cruise and Pershing rockets were deployed in the West.

The defence minister's comments gave the most detailed description to date of Soviet retaliatory measures against the siting of the new U.S. weapons, which started last year.

Any nuclear attack on the USSR and its allies "will invariably lead to the immediate and inevitable retaliatory strike both at the territories where the missiles are deployed and at the territories from which orders are issued concerning their utilization," Ustinov said in answer to questions posed by the news agency.

"We have increased the number of our submarines with nuclear missiles off the coasts of the U.S.," Ustinov said. He added that in terms of yield, accuracy and flight time, the Soviet sea-based missiles could hit U.S. cities and military targets in exactly the same time as Pershing-2 rockets could strike the Soviet Union, within eight to 10 minutes.

Western diplomats said the defence minister's remarks appeared to be timed to influence the U.S. presidential election and to encourage opponents of the Nato's deployment of the U.S. missiles.

In Washington, the Defence Department said there was nothing new in Ustinov's warning.

A department spokesman said the U.S. government had long estimated it would have five to seven minutes warning if Moscow launched a nuclear strike from the sea.

He said that in its latest report on Soviet military power, issued in April, the Pentagon noted that Moscow had been gradually increasing its submarine surveillance off America's east and west coasts for the past decade. (Reuters, AP)



The official reception for the delegates to the Jerusalem Economic Conference was held at Beit Hanassi last night. To President Chaim Herzog's left are Industry and Trade Minister Gideon Patt and Finance Minister Yigal Cohen-Orgad. Economics Minister Ya'acov Meridor is at far right.

U.S. agency raps Israel for inflation

Jerusalem Post Staff
The U.S. State Department's Agency for International Development has issued scathing criticism of Israel's failure to seriously tackle the country's galloping inflation. It did so in a secret report, which it is feared here may have a negative effect on American assistance to Israel.

The report, leaked to a Ma'ariv correspondent and headlined in yesterday's edition of the afternoon Hebrew daily, faults the eight-month-old government of Prime Minister Yitzhak Shamir for not putting forth a comprehensive plan to stabilize the economy.

It especially criticizes the failure to take steps to dismantle the country's linkage system and the low priority given to the fight against inflation. In such circumstances, the report says, no improvement can be expected in Israel's trade deficit, estimated at \$5.2 billion for 1983.

It was the fifth such annual report to be prepared by AID, which does not determine U.S. foreign-aid levels. But copies of the agency's evaluation are passed on to senators and representatives, who must approve assistance programmes. Coming on the heels of a negative International Monetary Fund report on Israel's economy, it is expected to have an impact on congressional thinking.

IAF jets bomb bases in Bekaa near Syria

By HIRSH GOODMAN
Post Defence Correspondent
and agencies

Israeli warplanes yesterday afternoon bombed Iranian terrorist bases in the Bekaa Valley, about three kilometres from the Syrian border.

According to an announcement by the Israel Defence Forces spokesman, the attack came in the afternoon, and was directed against terrorist concentrations at Janta in the Bekaa Valley. The spokesman's announcement added that all planes returned safely to base, and that pilots had reported accurate hits.

It was learned that the aircraft destroyed five buildings and several tents in a riverbed used by Iranian Revolutionary Guards and pro-Iranian fundamentalist Shi'ite terrorists groups as training bases.

The attack — the first since April 7, and the eighth this year — followed

no specific terrorist attack, and was explained by military sources last night as being part of Israel's ongoing preventive anti-terrorist policy. But observers noted that the attack against the Iranian forces followed recent reports of friction and actual fighting between the Syrians and these Shi'ite groups in the Bekaa.

Military sources last night denied that there was any connection between the two events, though one senior officer admitted that "it could have served as a catalyst."

The camp attacked yesterday is some 20 kilometres south of Baalbek, where the Iranian Guards, who came to Lebanon in 1982 to join the war against Israel, have their headquarters.

The Israeli attack was the closest to the Syrian border in Lebanon in many months, but military officials (Continued on back page)

Shamir to address party's central committee Liberals delay vote on Likud break-up move

By JOSHUA BRILLIANT
and SARAH HONIG
Jerusalem Post Reporters

TEL AVIV. — The Liberal Party central committee late last night decided by an overwhelming majority to postpone its vote on a proposal to break up their alliance with Herut. It thus acceded to Prime Minister Yitzhak Shamir's request to address the forum before a decision is taken.

Only four members opposed the postponement to Wednesday or Thursday.

The debate was held behind closed doors at the ZOA House here.

Energy Minister Yitzhak Moda'i, who heads the Liberal Party's list of Knesset candidates, advocated the postponement after prolonged consultations with fellow Liberal ministers, who reportedly got cold feet over the proposal to break up the

Likud bloc and run independently in the July 23 Knesset elections.

Earlier at the central committee session, Moda'i proposed abrogation of the agreement with Herut and told the members that the other ministers had agreed not to present counter proposals.

But after his speech and the enthusiastic support he appeared to receive, the ministers went into consultations in a side room. Tel Aviv Mayor Shlomo Lahat told reporters that Minister without Portfolio Sara Doron had confirmed her agreement with Moda'i's statement, but reporters, who were barred from the conference room, could not check it with her.

During their consultations, several ministers reportedly spoke with Shamir over the phone, and late last night Moda'i appealed to the central committee to postpone its decision and allow the prime minister to appear.

Some argued that the request should be honoured as a courtesy to

Shamir. But Lahat, who has been pressing for a break-up of the Likud, was scathing in his criticism. "They are cowards," he told reporters, referring to the Liberal leaders. "They have no guts. There is a group of ministers and candidates to the Knesset who are afraid of losing their seats," he said.

After Moda'i's motion to run independently and before the move to delay the Liberals' decision, Deputy Prime Minister David Levy reacted sharply to the Liberal leader's apparent turnaround. He called Moda'i's move "very surprising in view of the written agreement that has already been reached."

Moda'i, Levy said, had already asked for copies of the formula, hammered out earlier in the day, to give to central committee members. Levy accused him of either having done an abrupt about turn or of not having meant anything he said at the negotiation sessions. "He is either fickle or deliberately misleading," said Levy.

At their meeting, Levy, Herut secretariat chairman Yoram Aridor, Moda'i and Liberal Justice Minister Moshe Nissim were said to have put the finishing touches to an amendment to the 1965 agreement between the parties and an undertaking on full merger of the Likud components.

The four-hour session, according to Herut, yielded agreement to cut Liberal representation from 16 to 12 in the first 40 Likud slots and commitment to a full merger before the elections.

Moda'i, however, did not make (Continued on Page 2, Col. 2)

Moda'i tries to keep reporters in dark

Jerusalem Post Reporter

TEL AVIV. — Liberal Party leader Energy Minister Yitzhak Moda'i yesterday tried to keep journalists away from the Central Committee's debates in Tel Aviv.

The party hired guards who blocked reporters' access to the second floor of the ZOA House, where the nearly 250 committee members met. A senior party source told reporters that Moda'i had slammed his fist on the table when asked to allow the reporters in.

Nevertheless, we heard practically every word Moda'i said. We found a passage through garbage cans and past scurrying cats to a metal stairway that led to the hall's emergency exit. The door was evidently made of thin wood and the loudspeakers were powerful enough to carry the voices through.

The guards eventually discovered us and ordered us away — but we said we would obey policemen only. The police did not appear.

Ein Hilwe quiet; IDF attacked

By MENAHEM HOROWITZ
Jerusalem Post Reporter
and Agencies

EIN HILWE. — This refugee camp east of Sidon was relatively quiet yesterday after five days of rioting in which three persons were killed and five hurt.

But the Associated Press reported that in Sidon yesterday Israeli soldiers shot and killed a local resident and wounded two others after a

hand-grenade attack on their foot patrol.

An Israeli soldier was wounded slightly when the hand grenade exploded.

AP cited an Israeli officer as saying that the Israeli soldiers shot dead a young man who ran from behind a stone wall after he ignored orders to halt.

Israeli officers told journalists (Continued on Page 2, Col. 6)

Tunnel found between Gaza District and Sinai

RAFAH (Itim) — The Israeli security forces have found a 60-metre-long tunnel leading from Rafah in the Israeli-held Gaza District to the Egyptian Sinai.

The tunnel was found in the centre of town, through which the border passes. Israeli watchtowers are within 20 metres of the tunnel. The security sources have not revealed how the tunnel was found or whether there have been arrests.

Arab Gulf states brace for more raids on ships

BAHRAIN (Reuters). — Arab Gulf States yesterday braced for a fresh onslaught on the waterway's shipping as Iraq pledged to continue its strikes against Iran's oil ports and Tehran vowed it would retaliate throughout the Gulf.

The Iraqi government newspaper *Al-Jumhuriya* said future air attacks in the Iraqi-declared war zone at the northern end of the Gulf would be stronger, "to force the Iranian regime into a dreadful corner that will leave it no way out but peace."

Iran reiterated recent warnings that no shipping in the Gulf would be safe as long as its own oil exports were threatened. "Tehran radio quoted Iranian Prime Minister Mir Hoseyn Musavi as saying after a

cabinet meeting: "Our policy is to reply to any blow with a stronger blow." He also urged other Gulf states to reconsider their ties with Iraq, according to the radio report, monitored in London by the BBC.

The spate of at least six attacks against Gulf shipping over the past week included hits against two Kuwaiti tankers and a Saudi super-tanker off their shores, which the two countries have blamed on Iran.

Egyptian President Hosni Mubarak called yesterday for a world effort to end the Iran-Iraq war, which he described as "very dangerous indeed."

Britain's National Union of Seamen has urged British ships not to go to the Gulf.

Public's financial assets fell IS200b.

The public's financial assets fell by about IS200 billion last month, as people found it increasingly difficult to safeguard the value of these assets against inflation.

At the end of March the public held some IS1,921b. in cash, current accounts, shares, Patam foreign currency deposits, linked bonds and short-term deposits (Pakam). By the end of April, this figure had risen to IS2,084b., an 8.5-per-cent increase, much lower than the 20.6 per cent rate of inflation.

This means that in real terms the public's financial wealth dropped by some IS195b.

Banking sources told *The Jerusalem Post* yesterday that the losses were due in part to the low yields

offered by shares and deposits. Speaking about the high real rate of interest (the rate of interest minus the rate of inflation), the sources said that this was the result of a lack of coordination between the Bank of Israel and the Finance Ministry.

The ministry increased the interest rate on debts to income-tax authorities to 32 per cent per month. This prohibitive rate drove the self-employed and cooperatives to seek credit from commercial banks to pay taxes and debts to the tax authorities, the sources said. But at the same time, the Bank of Israel reduced the banks' disposable funds, causing a shortage of credits that drove up the interest rate considerably, the sources added.

Talks on new pay agreement expected 'within days'

By ROY ISACOWITZ
Jerusalem Post Reporter

TEL AVIV. — The Histadrut and private and public employers are expected to begin negotiations for new wage agreements in the next few days. Histadrut sources said yesterday. The national and plant-level agreements are the second leg of the Histadrut's policy for guaranteeing the real income of salaried workers, along with the cost-of-living agreement signed last week. (See leader, back page.)

Histadrut secretary-general Yisrael Kessar told the labour federation's central committee that one of the functions of the agreements will be to compensate for the wage erosion inherent in the C-o-L increment agreement. The C-o-L agreement allows for compensation payment at

a rate of 80 per cent, and not 100 per cent.

According to figures presented by Kessar yesterday, the annual wage erosion under the new agreement will be 9.8 per cent, at the current rate of inflation, as opposed to 12.1 per cent under the old agreement. This difference should be made up in new wage agreements, Kessar said.

Finance Ministry Director-General Emanuel Sharon yesterday denied a Kol Yisrael radio report quoting Treasury sources as saying that the annual wage erosion under the new agreement will be in the region of 20 per cent — rather than the 9.8 per cent quoted by the Histadrut. Sharon issued his statement after a series of angry telephone conversations with Kessar, who warned that the Histadrut would (Continued on Page 2, Col. 1)

Dorit Beinisch will prosecute Jewish 'underground' case

By ROBERT ROSENBERG
Jerusalem Post Reporter

Deputy State Attorney Dorit Beinisch is to handle the prosecution of the alleged Jewish underground members, and indictments will be filed against some of them by the end of this week, *The Jerusalem Post* has learned.

Some of the suspects, if convicted, could face sentences of up to life imprisonment. "The lightest sentence in the case is a guaranteed five years in jail," said a source close to the prosecution.

whether to release Rabbi Moshe Levinger on Wednesday, when his eight-day remand period expires, or seek to extend his detention.

It has not been easy to interrogate him, police investigators said, "because he believes God is on his side." It is likely he will be charged with foreknowledge of the attack on the Islamic University of Hebron. His son-in-law is suspected of having driven the get-away car in that incident.

Demonstrators from Kiryat Arba kept up their protest outside the

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CHICAGO	16	6	26	70
COPENHAGEN	11	5	18	64
FRANKFURT	11	5	18	64
GENEVA	11	5	18	64
HELSINKI	12	5	19	64
HONG KONG	19	16	21	70
JOHANNESBURG	9	4	21	70
LISBON	8	4	17	61
LONDON	8	4	17	61
MADRID	2	3	14	47
MONTREAL	10	3	17	61
NEW YORK	14	5	24	74
OSLO	10	3	19	54
PARIS	10	3	19	54
ROME/FIUMICINI	10	3	19	54
SAO PAULO	15	5	25	82
STOCKHOLM	10	3	22	72
TOKYO	14	5	21	70
TORONTO	9	4	24	72
VIENNA	10	3	23	72
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THE WEATHER

Forecast: Partly cloudy to clear with rise in temperatures.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	40	11-26	28
Golan	26	12-28	30
Nahariya	21	15-27	28
Safed	21	15-27	28
Haifa Port	24	16-24	26
Tiberias	41	16-34	35
Nazareth	32	15-28	28
Afula	39	18-30	32
Shomron	34	15-29	30
Tel Aviv	62	19-26	28
B-G Airport	40	17-29	31
Jericho	71	17-25	27
Gaza	15	16-31	33
Beersheva	15	16-31	33
Eilat	8	23-36	36

ARRIVALS

Mr. and Mrs. Wolf Blumenthal; Mrs. Nora Feigen; Dr. Israel Inbar; Mrs. Simon Malil; Mr. and Mrs. Saul Roshwerger (Argentina); Mr. Enrique Berman (Mexico); Dr. and Mrs. Julia Pomeroy (Monaco); Mr. and Mrs. M. Hachuel Toledo (Spain); Mr. and Mrs. Julio Bronner (Venezuela); Dr. Henry Bloch; Mr. and Mrs. Melvin Jaffar (U.S.A.); for the annual meeting of the board of governors of Tel Aviv University, and the following for the board meeting and special ceremonies: Mr. and Mrs. Rubin Bird and Miss Bird (Venezuela) for the inauguration of the Dina and Rubin Bird Doctoral Fellowships Fund; Mr. Guilford Glazer (U.S.A.) to receive an honorary fellowship; and Mrs. Glazer, and Mr. Richard Souzenberg (South Africa) to receive an honorary fellowship; and Mrs. Souzenberg.

National Council of Jewish Women U.S. President Barbara Mandel; Shirley Leviton, Immediate Past President; Betty Miller, Adrienne Taft, National Leaders; Dalia Perlov, Executive Director; Hannah Levin, Director Israel Affairs Department - for the meetings of the Board of Directors of the NCJW Research Institute for Innovation in Education, the School of Education of the Hebrew University of Jerusalem.

DEPARTURES

Mrs. Suzy Eban, President of the Israel Cancer Association, for Munich and Frankfurt, to attend social events and activities of the Friends of the Israel Cancer Association in Germany.

AGREEMENT

(Continued from Page One)

demand increased compensation if the report was not denied.

Kessar's figures were also challenged by Yigal Bin-Nun, Shinui faction representative on the central committee, who said that the old agreement provided for higher compensation in times of high inflation. The old agreement provided for a C-o-L increment of 90 per cent if inflation rose above 30 per cent in a three-month period, Bin-Nun said. The new agreement, on the other hand, provides for only 80 per cent compensation when inflation rises above 12 per cent month, he pointed out.

Bin-Nun said that Shinui will support the new agreement on condition that the Histadrut insists on the inclusion of a clause providing for its revision every six months and the payment of additional compensation when necessary.

Kessar told the central committee that an agreement will be signed in the next few days between the Histadrut and the Finance Ministry, providing for revision of income-tax brackets and family allowance points whenever a C-o-L increment is paid.

HOME NEWS

Shamir to speak today on underground, Gulf

By ROBERT ROSENBERG
Jerusalem Post Reporter

Prime Minister Yitzhak Shamir is to take the podium today in the Knesset for what his advisers say will be a major wide-ranging speech.

Sources in the Prime Minister's Office said Shamir will speak on such issues as the alleged Jewish underground, the Iran-Iraq war, U.S.-Israel relations - including the free-trade-zone negotiations - and Israel's relations with Europe. He is also expected to comment on the UN Security Council session today called by the Arab states to discuss the recent events at the Ein Hilwe refugee camp near Sidon.

According to the sources, Shamir will be "tough" on the subject of the underground. He will reject criticism by the Jewish residents of the administered areas that the government failed to provide security for Jews in the areas, and criticism by his opponents, who charge his condemnation of the underground has been somewhat disingenuous.

On Iran-Iraq, Shamir is expected to declare Israel's neutrality, to deny any arms sales to Iran, and to remark that the two countries "compete in

their hostility to Israel."

Although he is not expected to describe U.S.-Israel relations as "the best ever," he will praise current relations with Washington. He may comment on congressional efforts to force the administration to move the U.S. Embassy to Jerusalem.

Shamir yesterday met for an hour with Belgian Deputy Prime Minister Jean Gaul, in Israel for the Economic Conference.

Shamir told the visitor that "there are signs that all the parties in Lebanon are coming around to the view that an arrangement with Israel is necessary for a solution to Lebanon's problems."

Shamir told Gaul that "the PLO, without any independent bases bordering on Israel, is an 'insignificant' element in the Middle East, and has not 'accomplished anything positive' since it was founded."

Turning to relations with Egypt, Shamir said that the Camp David process "must continue," and that the recent visit by a delegation of Knesset members and journalists to Morocco showed that "there is increasing acceptance in the Arab world of Israel's existence."

Beirut shelling halts as government agrees on policy

BEIRUT (Reuters). - A policy agreement by Lebanon's new government brought a sudden end to heavy artillery battles in Beirut this weekend, and the Lebanese capital was reported mostly quiet yesterday.

The so-called government of national unity, grouping Christian and Muslim leaders, after protracted debate agreed on Saturday on its broad policy lines. Informed sources close to the government said it was based on working papers drawn up at a reconciliation conference in Lausanne, Switzerland last March.

The sources said the accord aimed at striking a fairer balance between

Muslims and Christians in all branches of government and throughout the country.

Another major goal is securing the withdrawal of Israeli forces from South Lebanon and of Syrian troops from eastern and northern areas.

People gazed in wonder yesterday at newspaper pictures they had thought they would never see - of Druse chieftain Walid Jumblatt, the new public works minister, standing with his sworn enemy Fadi Frem, commander of the Christian Lebanese forces militia.

Their groups had been locked in warfare for months but now President Amin Jemayel had brought the leaders together for lunch.

2 get grants for writings on Holocaust

TEL AVIV. - A former leading Jewish member of the Polish Communist Underground and the Holocaust Research Centre at Kibbutz Lohamei Hageta'ot were yesterday awarded the Egit prizes for writings on the Holocaust and Jewish resistance.

Hirsh Smolar, a former partisan leader who came to Israel from Poland in 1971, won the \$3,000 grant for his manuscript on resistance to the Nazis in the Minsk ghetto. The money will go towards publishing the manuscript.

The Lohamei Hageta'ot centre's award is for its preparation of the

second volume of collected writings of the poet Yitzhak Katzenelson, who died in the Vittel concentration camp in France in 1944. Katzenelson's accounts of life in the ghetto were buried before his death and retrieved later by a friend. The first volume has already been published, and the grant will go towards publication of the second.

The grants are named after Holocaust survivors Jacob and Clara Egit of Toronto, Canada. They were awarded by Histadrut Secretary-General Yisrael Kessar, who helped in the establishment of the Egit Foundation.

LIBERALS

(Continued from Page One)

any comment after the meeting.

Shamir was not present at the talks, which were held at the Prime Minister's Office.

He has kept a low profile throughout the several weeks of haggling between Herut and the Liberals.

Some Herut sources felt last night that Moda'i had a personal stake in having just emerged as Liberal leader after a long struggle, he would be reluctant to lose control, they said.

Others in Herut, however, were happy about the prospect of a separate Liberal list. Herut sources felt that while the Liberals could only do poorly at the polls, Herut support would remain roughly the same without them.

A moderate response came from the Shamir camp, where it was stressed that "ties have not been severed yet." Efforts will still be made to reach an agreement, these sources said, adding that the Liberals were simply shaken at having their representation on the list cut.

Presenting his motion to go it alone, Moda'i argued that Herut had broken the parties' agreement, "not for reasons of state or (for the good of) the Likud, but for personal and factional reasons... In that, they took upon themselves the risk of returning the Alignment to power," he said.

In a long report on the negotiations, Moda'i said Herut had made it clear that it would not extend the agreement. He said the Liberal Party's attempts to check whether it could legally force Herut to abide by the agreement showed it could not.

Herut had used various pretexts to try to cut the Liberals' share in the Knesset list, Moda'i continued. At first they said they feared some Liberal MKs could not be trusted to follow the Likud line.

Then Herut argued that the liberals were overrepresented. Moda'i said he had produced the 1965 agreement and minutes to prove that

when it was signed, it was clear that the Liberals were getting a greater share of power than they actually possessed in relation to Herut. He quoted the minutes of a meeting in which the liberals demanded more power because "we give you (Herut) legitimacy." Former prime minister Menachem Begin had sharply protested the use of the word "legitimacy," Moda'i recalled.

Finally, Herut argued that it was time to change the 19-year-old agreement. But Moda'i quoted a letter Shamir wrote last October 4, pledging no change.

Moda'i stressed that the Liberals were willing to consider a small change in their representation. But he expressed fear that Herut would cheat the Liberals, perhaps when Likud Knesset faction leader Ronnie Milo presented the list of candidates, as provided by law to the elections committee.

Moda'i said he feared that if the Liberals agree to a cut, Herut might "take the rest." He referred to last year's municipal elections, when Herut allegedly altered 23 lists at the last minute without the Liberals' knowledge.

Moda'i said he had asked Herut to amend the law so that Milo and Liberal Knesset leader Rafael Hatzvi would jointly present the list. The Liberal ministers figured that if Herut rejected the proposal, they ought to suspect its real intentions.

Herut did turn down the idea, proposing a signed letter from Shamir instead. One of the central committee members shouted that they already have a signed letter from Shamir. He was referring to the letter of last October.

There was strong applause when Moda'i advocated running independently, and he concluded: "I would like to hope that such an outburst will be justified on the morning of July 24 as well."

Thousands at Bar-Yohai's tomb for Lag Ba'omer

By MENAHEM HOROWITZ
Jerusalem Post Reporter

MERON. - Two hundred thousand celebrants and worshippers arrived here yesterday for the traditional Lag Ba'omer festivities at the tomb of Rabbi Shimon Bar-Yochai.

The police evacuated thousands of people from the roof of the tomb fearing that large amounts of ritual olive oil spilled on the roof may have damaged the building.

Four persons were arrested on suspicion of taking drugs.

Most of the political parties running for the Knesset took advantage of the gathering to set up tables and distribute handbills. This activity was condemned by some rabbis.

Among politicians seen here yesterday were Ezer Weizman, David Levy, Aharon Abuhaitzira and Avraham Shapira.



Defence Minister Moshe Arens (left) yesterday pins the Mandate Prisoner's Medal on Shulamit Shamir, wife of Prime Minister Yitzhak Shamir (center). Shamir also received the pin, which was awarded to members of armed Jewish underground organizations who were jailed by the British authorities during the Mandate. (Isaac Harari)

Big police reshuffle seen

By ROBERT ROSENBERG
Jerusalem Post Reporter

A major reshuffle of the country's top police officers is expected, and is being described by some sources as part of the struggle for leadership in the force.

Reliable sources say that Tel Aviv District Commander Nitzav Avraham Turgeeman will move to the Southern District Command, replacing Nitzav Yehoshua Caspi, who has long sought a sabbatical in the U.S. to study drug-law enforcement.

Moving from the internal disciplinary court to the Tel Aviv command will be Nitzav David Krause. Other job changes are possible in Galilee, on the sub-district level, and at the deputy commander level in at least two districts.

Although nothing has been decided, police sources agree that the reshuffle was prompted in large part by the internal divisions revealed recently with the suspension of Sgan-Nitzav Assaf Hefetz, forced out because of leaks to the press.

The sources said last night that Turgeeman had to move out of Tel Aviv because of the controversy that has surrounded his command there in the last three years. Turgeeman has never made a secret of his ambition to inherit the inspector generalship

from Arye Ivztan. Krause is also seeking the inspector generalship. He has openly disapproved of some of Ivztan's methods.

Interior Minister Yosef Burg, who at the weekend completed a round of discussions on rotations in the force with all the highest-ranking officers, has long promised Krause a field command.

But the decision to send Turgeeman to the southern district and Krause to Tel Aviv reflects the ministry's growing conviction that, as one source said, "police protection on the Temple Mount is more important than catching prostitutes in Rehov Hayarkon."

Arab institute head being questioned

Jerusalem Post Reporter

The police yesterday confirmed that Salah Baransi, the director of the Palestinian Culture Institute at Taibe in the Triangle, has been arrested.

Baransi was detained at Ben Gurion Airport last Thursday on his return from a trip to London. He is being questioned about alleged connections with individuals or groups hostile to Israel.

Alfred Witkon dies at 74

Jerusalem Post Staff

Former Supreme Court justice and noted legal scholar Dr. Alfred Witkon died yesterday in Jerusalem, aged 74, after a long illness. Witkon was born in Berlin on February 23, 1910. He studied in Germany at the Universities of Berlin, Bonn and Freiburg, where he received his Doctor of Jurisprudence degree in 1933, and at the Middle Temple, London University, where he got his LL.B. He settled in Eretz Yisrael in 1935, and was in private practice and taught at the Jerusalem Law School until 1948, when he joined the Israel Defence Forces and became a captain on the judge-advocate's staff.

President of the Jerusalem District Court from 1948 to 1954, he was appointed to the Supreme Court in that year. He also lectured on tax law at the Hebrew University and at the Tel Aviv University, and published numerous articles in law journals. His major publications were: *Law and Society* in 1954, *Law and Politics* in 1965 and *Law of Taxation* in 1969.

Among his last decisions before retiring from the bench in 1980 were leading opinions in the Beit El case, in which land seizure for Jewish settlement in Samaria was held to be



Justice Alfred Witkon

legal, and shortly afterwards the Eilon Moreh case, the only instance in which a specific such seizure was held to be illegal.

In two recent articles in *Davar*, Witkon spoke out against the Knesset's newly adopted code of ethics for members, which he criticized for being too permissive on instances of possible conflict of interest and too lenient on errant MKs.

Witkon was married to Greta Philipson, and had two children: Naomi (Gash) and Gideon. (A.Z.)

IDF ATTACKED

(Continued from Page One)

during a tour of Ein Hilwe yesterday that neither South Lebanon Army nor Phalange forces are allowed to enter the camp. The IDF alone is responsible for security in the camp and sometimes sends in patrols.

The journalists were told that, contrary to some reports, the patrols are carried out in small vehicles, and not in armed personnel carriers or tanks. The exception was on Saturday, when APCs were sent into the camp to prevent larger disturbances.

IDF officers said that camp residents are permitted to have weapons for self-defence, but they denied that there was an Israeli-backed Palestinian militia in the camp.

The reasons for last Thursday's disturbances were unconnected to the IDF, the officers said. It was tensions among various refugees - for example, between those who support and reject PLO chief Yasser Arafat - that led to the violence.

The IDF has arrested 28 camp residents in the last few days, some of them former Ansar prisoners.

IDF sources stressed that one cause of tension in the camp is the economic plight of the some 1,000 ex-Ansar prisoners who are family heads and are unable to find jobs in the camp and in Sidon.

IDF sources also said that Israel will continue to confiscate weapons in the camp, and in the rest of South Lebanon.

Near Tyre yesterday, a 30-kilogram bomb went off on a road used by IDF patrols.

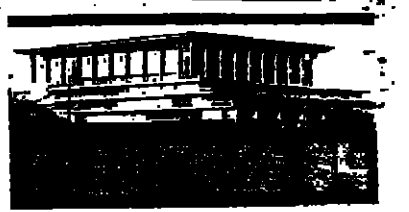
The wife of a Palestinian teacher was seriously injured early yesterday when a hand grenade was thrown at their home in Abra village near Sidon. Lebanese security sources told Reuters.

1 killed, 2 hurt

HERZLIYA (Itim) - A 19-year-old man was killed and two of his friends were seriously injured in a road accident yesterday morning in Rehov Karen Hayesod in Herzliya Pituah.

The man killed was Yosef Ventura, of Herzliya. The two injured were Ashira Bin and Abraham Aboab, both also 19.

The three were travelling in a Peugeot pick-up truck, driven by Ventura, which crashed into a semi-trailer.



Labour's key media post to Sarid

By SARAH HONIG
Post Political Reporter

TEL AVIV. - Labour's most prominent dove, Knesset Member Yossi Sarid, has been appointed general adviser to the Alignment information campaign headquarters, which will put him in charge of all his party's communications media contacts during the campaign, it was reliably learned by *The Jerusalem Post* last night.

Sarid will orchestrate Labour's entire approach to all parts of the media. He will decide what kind of message to put across to which segment of the population, and how to react to current events and to Likud pronouncements.

Sarid will also act as the link man with Labour's public-relations firms.

The information campaign is formally headed by Alignment Knesset faction chief Moshe Shahal, but it is expected that Sarid will be the dominant figure at the information headquarters. He will advise Shahal on the public relations and advertising campaign. It is noted in the party that just as Labour's responses team has become Sarid's one man show, so the information campaign is likely to bear his personal stamp.

Histadrut culture and education division head, Nahum Fassa, will be in charge of organizing rallies. MK Rafi Edri will deal with "special sectors" of the population such as Jews of Oriental origin and students.

An innovation in this campaign is a round-the-clock media-monitoring service. This will be overseen by Avner Regev, a Hebrew University researcher specializing in Palestinian Arabs. Regev will be in charge of a communications centre tuned to all radio broadcasts in Israel, on all stations, 24-hours a day.

A newspaper-clipping service will operate, as well, and all references to the campaign will be noted and studied, with the idea of analyzing them and reacting to them as soon as possible. The same treatment will be applied to each pronouncement or reaction from the Likud.

Aloni accuses Lorincz of election bribery

Knesset member Shulamit Aloni (Alignment-Citizens Rights Movement) yesterday sent a complaint to the chairman of the Central Elections Committee charging MK Shlomo Lorincz (Agudat Yisrael) with election bribery.

Aloni was referring to the IS28 million for Aguda institutions approved last week by the Knesset Finance Committee, of which Lorincz is chairman.

FINE. - The Supersol chain's Hod Hasharon store was fined IS 15,000 yesterday by the Kfar Sava Magistrate Court for failing to adequately cool dairy products and for displaying dog food in the meat department. The court said it was imposing a relatively low fine because this was the store's first such violation.

We are deeply grieved at the sudden passing of our dear friend and colleague

MISHA SKORUPINSKI

He will be sadly missed.

Shmuel Marom
and all the staff of
Unitours, Israel

On the thirtieth day after the passing of the dear head of our family

JACOB FEDERBUSCH

there will be a graveside memorial service and unveiling of the tombstone on

Wednesday, May 23, 1984 (Iyar 21, 5744) at 4.30 p.m. We shall meet at the gate. A bus will be available for those attending, leaving at 4.00 p.m., from the Mann Auditorium plaza. The bus will return after the service.

Our thanks to all who offered condolences.

The Family
The Rosenberg and Federbusch Press

On the thirtieth day after the passing of our dear

MARCEL JANCO

and the fifth anniversary of the death of our dear

MEDI JANCO

there will be a memorial service and unveiling of the tombstone at 2 p.m. in the Kiryat Shaul Cemetery, on Thursday, May 24, 1984 (Iyar 22, 5744).

Our thanks to all who offered condolences.

The Family

With deep sorrow we announce the passing of our beloved uncle

SAMUEL JACOBSON

of Halifax, Canada, on May 18, 1984

His remains will be brought by El-Al, flight No. 002, due to arrive at 11.00 a.m. on May 22, 1984. For details about the funeral, call 02-225874 or 02-410221, room 201.

Linda Epstein
Zack Rubin

BAR-ILAN UNIVERSITY

The Department of Economics and Business Administration

invites the public to a memorial ceremony on the occasion of the first yahrzeit of

Prof. SHLOMO FLINK

Professor in the Department of Economics and Business Administration

The memorial ceremony will take place at 5.00 p.m. on Wednesday, May 23, in the Menachem Begin Building on the Bar-I

Swiss vote rejects bid to end bank secrecy

ZURICH (Reuters). — Swiss voters yesterday decisively rejected an attempt by the Socialist Party to open up the country's traditional banking secrecy.

The motion was turned down by all 26 cantons (regions).

With only a few results outstanding, a proposal condemned by opponents as striking at the vital nerve of banking and the whole economy had been defeated in a referendum by a margin of three to one.

It was launched in 1977 with the aim of combating tax evasion and ending Switzerland's attraction as a haven for flight capital from the Third World.

Voters also turned down a plan by the far right National Action Party to ban all sales of residential property to foreigners. Here the poll was closer, with about 45 per cent for and 55 per cent against.

The constitutional change foreseen in the banking referendum would have obliged banks to give

information about customers' accounts to Swiss or foreign authorities investigating tax evasion or currency offences.

Banks at present maintain secrecy over flight capital, since there are no limits on movements of currency under Swiss law. They keep their books closed in cases of tax evasion too, though not if fraud is involved.

The president of the largest Swiss Bank, Union Bank of Switzerland's Nikolaus Senn, declared beforehand that acceptance would lead to a massive outflow of the billions of dollars held by foreigners in Switzerland.

Interest rates and rents would soar, the stock market would collapse and tens of thousands of jobs would be lost, he said.

The Socialists countered with campaign posters pointing out that 103 Zurich millionaires pay no income tax, with the comment: "We just want millionaires to pay tax at last like workers."

Sakharov's whereabouts unknown; wife in confinement

MOSCOW. — The Soviet government newspaper *Izvestia* yesterday provided the first official confirmation that the wife of Nobel laureate Andrei Sakharov has been confined to the city of Gorky, while the physicist's whereabouts remained unknown.

Izvestia blamed Yelena Bonner for all of her husband's "anti-Soviet" activities, calling her a "petty, embittered and greedy person who is ready to sell and betray everything for the sake of her own profit."

The story said Bonner "crossed the boundaries that no one is allowed to cross according to Soviet law" and that she should have known the consequences.

"Now the organs of law protection have undertaken measures according to Soviet law in connection with Mrs. Bonner," *Izvestia* said.

The statement was thought to mean that Bonner had been ordered to remain in Gorky, 400 kilometres

east of Moscow. Gorky is closed to foreigners.

Sakharov was taken from his home in Gorky and has been missing for nearly two weeks, dissident sources close to the physicist said Saturday.

They said his three children in Moscow received a telegram from his wife on Wednesday saying Sakharov was taken from his home on May 7.

The telegram did not provide further information.

It was the first news about the couple since May 8, when a friend who had spoken to them in Gorky said Sakharov had started a hunger strike May 2 to win his wife's release to the West for medical care.

The friend also said Bonner, who suffers from a heart condition and an eye ailment, had been charged with "anti-Soviet slander," and ordered to remain in Gorky until the conclusion of an investigation against her.

Hanoi: 5,000 Chinese troops out of action

BANGKOK (AP). — Hanoi contends its forces in the northern provinces bordering China "put out of action" more than 5,000 Chinese troops making border raids from April 2 to May 18, Vietnam news agency (VNA) reported on Saturday.

The official news agency monitored in Bangkok said Vietnamese forces destroyed 34 Chinese artillery and mortar positions, 35 military

vehicles, five ammunition depots and a number of field headquarters.

The VNA report did not give Vietnamese military casualties but said the alleged Chinese attacks, including a barrage of more than 120,000 artillery and mortar rounds on the six northern border provinces, killed hundreds of civilians and caused substantial property damage.

Floods, cholera kill 135 in Bangladesh

DACCA, Bangladesh (AP). — Flooding and cholera over the weekend killed 135 people in Bangladesh's Moulvi Bazar and Netrakona districts, local newspapers reported yesterday.

The government-owned *Dainik Bangladesh* said at least 200,000 people have been stranded by floods in and around Moulvi Bazar town, which was under 1.2 to 1.5 metres of water that has been rushing in from upper regions of India.

Two army battalions have been sent for rescue and relief operations in Moulvi Bazar and the adjoining

district of Sylhet.

Meanwhile, road and railway links between Dacca and Moulvi Bazar and the rail link between Dacca and Sylhet remained cut for the eighth day yesterday.

The newspaper *New Nation* said that with the shortage of drinking water, cholera was hitting labourers coming from different parts of the country for the harvest in Netrakona.

Cholera has claimed about 800 lives in Bangladesh in the last few weeks, according to the health authorities.

THE TEL AVIV MUSEUM

Shaul Hamelech Blvd.

Opening of the exhibitions

NAHUM GUTMAN WHITE CITY

Opening Address: Shlomo Lahat, Mayor of Tel Aviv-Jaffa
OPENING CELEBRATION IN THE MUSEUM PLAZA
Artists sing to Tel Aviv from the roof of the museum
Nurit Galron; Yehudit Ravitz; Matti Caspi; Shlomo Gronich and friends.
Tomorrow, Tuesday, May 22, 1984, at 7.00 p.m.
Opening of the Exhibitions at 8.00 p.m.

URGENT APPEAL

We appeal to the community at large on behalf of a prominent young man stricken with a rare disease. This father of eleven children is in need of extensive medical care, while currently unable to support his considerable family. Medical necessity also requires his immediate removal to proper accommodations. This dire situation and its unbearable financial burden move us to appeal to YOU.

The Committee for Humanitarian Assistance

Prof. Benjamin Zeev Frankel
Hebrew University,
Jerusalem

Prof. Yehuda Halevy
Technological High School,
Jerusalem

Rabbi Avraham Cahana Shapira
Chief Rabbi of Israel, Jerusalem

File no. 111-297/83

I wish to add my fervent appeal

In these few lines I wish to add my voice to the appeal for the head of a distinguished family with underage children, who has been stricken with a severe illness. This man is bedridden and unable to provide for his large family, in addition to the heavy outlay required for his medical treatment.

I therefore call upon my fellow Jews to assist the family in this difficult situation, in particular since the doctors have ordered the patient to change his present flat for a more appropriate one if he is to improve his physical condition.
All who lend a hand in this mitzva will surely receive the blessings of the Almighty and prosper in all their endeavours.

With our greetings,
Avraham Shapira
Chief Rabbi of Israel

CONTRIBUTIONS

should be sent to "Keren Hazala", c/o:

- Adv. Gershon Holtzer, 1 Rehov Hagidim, Jerusalem 94590
- Bank Hapo'alm, branch no. 533, acc. no. 54303, Jerusalem
- In the USA, send to Rabbi Gottlieb, 1472 46th St., Brooklyn, NY 11218, USA.

Marcos blames 'black' press for setbacks

MANILA (AP). — Philippine President Ferdinand Marcos blamed "the black (critical) press" yesterday for his regime's election defeat in major cities and said he has ordered a survey to find out if the vote means Filipinos reject him and his wife Imelda.

Speaking on government television, Marcos also condemned Saturday's riotous opposition rally in Cebu city, where one person was shot dead and 27 others were injured. He said the incident "may blur the image of a free democracy that we have presented to the world." The demonstrators have tried to storm the provincial capital to protest alleged government cheating in last Monday's National Assembly election.

Marcos denied that the government cheated at the polls, saying, "you know I have never cheated in my whole life in an election."

Marcos' ruling New Society Movement is assured of an assembly majority following a series of victories in the provinces that offset setbacks in Manila and several key cities.

Marcos blamed a sector of the press critical of his rule for his party's defeat in urban centres. "Probably it's because the black propaganda or the black press overwhelmed the legitimate press here in Manila and in the cities," he said.

He referred specifically to the Roman Catholic radio station Veritas (Truth), which he said tended to

influence listeners even if its news stories were "false."

Marcos spoke hours after government troops dispersed a mob of demonstrators who tried to storm the provincial capital building in the central Philippine city of Cebu to protest alleged government switching of votes in favour of pro-regime candidates.

Police said a 17-year-old boy, a demonstrator apparently hit in the neck by a soldier's bullet, was killed, and 27 others were injured, including eight soldiers.

Poll officials have proclaimed 107 winners in the race for 183 assembly seats, 66 of them pro-Marcos and 41 opposition candidates. Opponents led in 41 other races and the government in 356.

Bombay death toll rises as police open fire on mobs

BOMBAY (AP). — The police opened fire on rioting mobs in Bombay yesterday, killing at least three persons, as the death toll in four days of Hindu-Muslim violence mounted to 74.

Prime Minister Indira Gandhi sent Home Affairs Minister Prakash Sethi to tour the riot-torn village of Bhiwandi, where a family of 20 Muslims was doused with kerosene and burned alive by a Hindu mob Saturday.

It was later announced that Gandhi would tour Bhiwandi today.

No violence was reported yesterday in curfew-bound Bhiwandi, a handloom centre 75 kilometres northeast of Bombay, as army troops patrolled the streets.

But the bodies of three stabbing victims were found in a nearby village, said D. K. Chowdhury, the Maharashtra State assistant police inspector-general.

An 8 p.m.-to-5 a.m. curfew was clamped on sections of Bombay, a major Arabian port city of 8.5 million, as rioters set fire to shops, vehicles, and huts. They also stoned trains and police.

Police, ordered to shoot rioters and arsonists on sight, fatally shot three people and wounded five; the city police control room said.

At least 15 people have been killed in Bombay and 59 in and around Bhiwandi, according to official figures. More than 1,200 people have been arrested since the violence began.

Relief camps are being set up for 7,000 people whose huts were burned down.

Duarte in Washington, seeks military aid 'for democracy'

WASHINGTON (AP). — Jose Napoleon Duarte, El Salvador's president-elect, arrived here on Saturday to confer with U.S. President Ronald Reagan and said his beleaguered nation needs American military aid to continue on a democratic path.

The Central American leader denied allegations by rightist opponent Roberto d'Aubuisson that the CIA rigged recent elections to get Duarte voted into office.

"He (d'Aubuisson) said for three months that I was a Communist," Duarte said. "Now he says I'm supported by the CIA."

Arriving by U.S. government plane, Duarte made his first pitch for a reluctant Congress to approve \$62 million in aid sought by Reagan to help El Salvador battle leftist guerrillas.

"The aid is for democracy," Duarte said. "The aid is not for dictatorship."

Ex-model claims she was Prince Andrew's lover

LONDON (AP). — British ex-model Vicki Hodge claimed yesterday that she and Britain's Prince Andrew were lovers during his 10-day stopover in Barbados in March 1983, Britain's *News of the World* reported.

"It was a warm, tropical night and there, amongst the scented flowers, we made love," Hodge told the racy weekly in an interview described as "previewing her forthcoming book."

The 24-year-old prince, a Royal Navy helicopter pilot, met Hodge while on shore leave on the Caribbean island during the cruise of his aircraft carrier HMS *Invincible*.

Hodge, 37, told the paper that she met the prince, who is second in line to the British throne, after being invited along with two other young

women friends to a party on board the anchored ship.

She said that Andrew invited the three women to dinner the following night and they arranged to meet at a friend's borrowed house on the island.

After the dinner, she said, her friends retired for the night, but she stayed up late with the prince "talking very deeply... I found he was talking to me about some of the most important things in his life."

She said Andrew later embraced her and asked her to come with him into the tropical garden behind the house.

"I was totally and utterly surprised, and shaken, too," Hodge was quoted as saying. "My feelings were that a strong, attractive man had made love to me, not a prince."

West Germans march against SS reunion

BAD HARBURG, West Germany (Reuters). — About 1,000 demonstrators marched through Bad Harzburg on Sunday in protest against a reunion of former members of Hitler's elite Waffen-SS, the police said.

Some 300 veterans of the crack *Leibstandarte Adolf Hitler* and *Hitler Jugend* divisions were in town for a

three-day reunion, despite an unpremeditated high court ruling barring them from holding a formal meeting of their old comrades' association.

The city council won the ban, the first imposed by a West German court on an SS reunion, on the grounds that the meeting could provoke violent counter-demonstrations.



Isabel Peron.

Isabel Peron returns to Argentina

BUENOS AIRES (AP). — Former president Isabel Peron, ousted by a 1976 military coup, returned to Argentina yesterday to head a Peronist delegation scheduled to begin political talks today with President Raul Alfonsin.

Peron, who has lived in Spain since being released from house arrest by military authorities in 1981, was greeted by about 2,500 supporters as she stepped from a commercial airliner at Ezeiza International Airport, 30 kilometres southwest of the capital.

Alfonsin plans to meet with representatives of all opposition parties in an effort to gain support for his administration's policies on various issues, including renegotiation of the nation's \$43.6 billion foreign debt and internal economic and social problems.

Peron, the 52-year-old widow of three-time president Juan Peron, was president from 1974 until her ouster in a 1976 military coup.

Ben Bella seeks political comeback

GENEVA (AP). — Ahmed Ben Bella, first president of Algeria after the country won its independence from France, was quoted yesterday as announcing he will seek a political comeback, two decades after he was overthrown in a coup d'etat.

In a full-page interview with the Geneva newspaper *La Suisse* Ben Bella, 67, was reported as saying he will found a new political party this month that will soon hold its first congress in Algeria with a provisional platform seeking a pluralist, democratic system of government.

Ben Bella, who was interviewed in Copenhagen, said the "minimum objectives" of the new "Movement for Democracy in Algeria" (MDA) would be the "creation of a democratic framework to discuss the future of the country."

Following Algeria's war of independence against France, Ben Bella was elected president in 1963. He was toppled in 1965 and spent the next 15 years in prison.

The newspaper quoted him as praising Libya's leader, Colonel Muammar Gaddafi, and Iran's revolutionary Islamic regime, while criticizing "the repression of dissidents by both."

WELCOMED. — A large "enthusiastically cheering" crowd turned out to welcome North Korean President Kim Il Sung when his special train arrived in Soviet territory en route to Moscow for his first visit there in 17 years, a North Korean report said yesterday.

Sports

Israel lose cliffhanger

Post Sports Staff
Israel's hopes of reaching the basketball Olympics were smashed to smithereens yesterday, when they lost a cliffhanger to Sweden 80-79, and now need a miracle to offset their 0-2 record. For a few seconds, at the end of the game, the Israeli camp were delirious with joy, as it seemed that Haim Zlotikman had scored to give Israel an 81-80 victory. But the Finnish referee ruled that the basket was scored beyond the time limit.

In the two minutes before that,

Zlotikman scored two difficult baskets to take Israel from a three-point deficit into an 80-79 lead. Then Marghariti, the Swedish star, scored for Sweden. In the dying seconds of the thriller, Zlotikman had a chance to score a comparatively easy basket missed, recovered, got the ball again and put it in the basket — only to be ruled out of time.

The Israeli defence were unable to handle Marghariti, who led all scorers with 32. For Israel, Doron Lameche led with 14, Berkowitz, Avroeti, Kaplan and Zlotikman all got 12.

The Oilers take the Cup

EDMONTON (AP). — The Edmonton Oilers snatched the Stanley Cup away from the four-time defending champions New York Islanders as Wayne Gretzky scored twice in the first period en route to a 5-2 victory on Saturday night. The Islanders' drive for a record-tying fifth straight National Hockey League title died at the hands of the relentless attack of the Oilers. Edmonton outlasted the Islanders for much of the three games here to win their first league championship ever.

The Oilers, who joined the NHL from the

World Hockey Association in the 1979 merger, never won a title in the other league, and they were humiliated by the Islanders in a four-game first-round sweep last year.

This spring, showing maturity, versatility and patience they rarely exhibited in the past, the Oilers surged to the top. Led by Gretzky, the most dynamic scorer in NHL history.

At 23, Gretzky has shattered 35 league scoring marks. But the honour he has sought most has been the Stanley Cup championship, and his offensive explosion in the fourth and fifth games of this series paved the way to the championship.

While Gretzky was the dominant player in the last two games, teammate Mark Messier, Edmonton's spark-plug throughout the playoffs — won the Conn Smythe trophy as the Stanley Cup's most valuable player.

Krickstein beaten

Post Sports Staff, Agencies
For a short while it seemed that unseeded teen-ager Aaron Krickstein would cause yet another sensation in the Italian Open tennis tournament in Rome, when he took the first set against Andres Gomez of Ecuador 6-2. But then Gomez, ranked 7 in the world, took over control of the match, and whipped the younger player 6-1, 6-2, 6-2 in successive sets.

In West Germany, another unseeded rising young star, Libor Pisek of Czechoslovakia, surprised veteran Gene Mayer 6-4, 4-6, 7-6, 6-4 to take the Munich Grand Prix. Claudia Kohde won the West German Women's Open by vanquishing Kathy Horvath 7-6, 6-1.

Peron, who has lived in Spain since being released from house arrest by military authorities in 1981, was greeted by about 2,500 supporters as she stepped from a commercial airliner at Ezeiza International Airport, 30 kilometres southwest of the capital.

Alfonsin plans to meet with representatives of all opposition parties in an effort to gain support for his administration's policies on various issues, including renegotiation of the nation's \$43.6 billion foreign debt and internal economic and social problems.

Peron, the 52-year-old widow of three-time president Juan Peron, was president from 1974 until her ouster in a 1976 military coup.

Baseball: Saturday

NATIONAL LEAGUE
Chicago 5, Houston 4; Philadelphia 6, San Francisco 2; Atlanta 4, Pittsburgh 2, 7 innings; St. Louis 9, Cincinnati 1; San Diego 8, New York 3; Los Angeles 5, Montreal 1.
AMERICAN LEAGUE
Toronto 1, Chicago 6; California 4, New York 0; Detroit 5, Oakland 4; Seattle 6, Baltimore 5, 10 innings; Milwaukee 3, Cleveland 0; Kansas City 6, Texas 2; Minnesota 7, Boston 0.

W. German industry faces major work stoppage today

FRANKFURT (AP). — West Germany's worst labour dispute in six years threatens to mushroom with mass strikes, layoffs and factory lockouts affecting some 250,000 workers starting today.

Barring any settlement, the dispute over worker demands for a 35-hour week with no pay cut could halt virtually all auto production, disrupt rail service and keep newspapers off the stands.

On Saturday, railroad workers announced that they would stage limited solidarity strikes starting tomorrow in regions already hit by walkouts and lockouts of about 25,000 metalworkers and 11,000 printers as of Friday night.

Those areas include the central banking and industrial city of Frankfurt, the Neckar river industrial city of Stuttgart and the Rhine river city of Karlsruhe.

Sweden expels Lebanese refugees

STOCKHOLM (AP). — Thirty-four Lebanese refugees were expelled from Sweden early Saturday, the police reported yesterday.

The seven women and 15 children in the group were whisked from a hotel in Trelleborg in south Sweden at 5 a.m. Saturday and taken to nearby Malmö Sturup international airport. Together with 12 male Lebanese refugees, who had been in jail in Malmö, they were put on a chartered jet and flown directly to Damascus.

Labour minister Norbert Blom said that six days of strikes already had cost the country 4 billion marks (\$1.5 b.) in "a major blow to our national economy."

After launching selective regional strikes that brought BMW, Daimler-Benz and Audi auto assembly lines to a standstill last week, the powerful IG Metall union called for 33,000 metalworkers to walk off the job today in the biggest action to date.

The mass walkout was targeted for the central state of Hesse, the union's key region and home of the U.S.-owned General Motors Opel plant employing more than 30,000 workers.

In retaliation, the employer federation Gesamtmetall said it would lock out some 65,000 workers at 35 shops tomorrow in a move seen as pressure on the union to return to the bargaining table.

They had arrived earlier this month by ferry from West Germany.

The expulsion was kept secret even from the refugees until the last minute to avoid unwanted publicity and worry among the women and children, the Trelleborg police said.

TAIWAN. — President Chiang Ching-kuo was sworn in yesterday for his second six-year term and pledged to maintain democracy and further Taiwan's economic development.

THE ROGUE'S GUIDE TO THE JEWISH KITCHEN

by Daniel Rogov, David Gershon, David Louison

More than merely a cookbook, this collection of recipes and essays provides a sometimes serious, sometimes hilarious look at nearly everything Jewish. Whether it is in singing the praises of Jewish motherhood, in debunking the myth of gefilte fish, or in providing well thought-out recipes for cholent, knishes or kishke, nothing is taken over-seriously except for the final flourish. Published by The Jerusalem Post and Carta/Nitzanim Books. 164 pages, softcover.

PRICE: IS 1823 (including VAT and postage)

To: Books, The Jerusalem Post, P.O.B. 81, Jerusalem 91000

Please send me THE ROGUE'S GUIDE TO THE JEWISH KITCHEN. I enclose a cheque for IS 1823.

NAME

ADDRESS

CITY

CODE

Price valid until May 31, 1984.

ISRAEL LANDS ADMINISTRATION
Southern District

Owner-Occupier Construction in Eilat —
Shechunot Tzofit, and Ganim — Remaining Plots

A few plots remain from the above schemes. These will be allocated, on the basis of updated values for the land. All other conditions remain as published in the original prospectuses, subject to this present notice.

These plots will be allocated, starting at 10 a.m. on Tuesday, May 29, 1984, on a first come, first served basis. At that time, a separate draw will be held among those present, for each of the following plots.

Registration will be at the Eilat district office of the Administration, 108-1 Rehov Ha'Alonayim, Tel. 059-6665. When registering, you must deposit IS 30,000 (banker's cheque) made out to the Israel Lands Administration, which will be regarded as an advance payment on the cost of the land.

Additional details at the above office of the Administration.
This notice in force until July 29, 1984.

ISRAEL LANDS ADMINISTRATION,
LOCAL COUNCIL

Build Your House in Sderot — Shechunot Natan Elbaz, and Rakefet

A number of plots are still available from the above schemes. These will be allocated with updated values for the land. All other conditions remain as published in the original prospectuses, subject to this present notice.

These plots will be allocated, starting at 10 a.m. on Tuesday, May 29, 1984, on a first come, first served basis. At that time, a separate draw will be held among those present, for each of the housing estates.

Registration will take place at the Administration's district office in Beersheba, Rehov Ben Zvi (over Ulumei Yansalom).

When registering, you must deposit IS 30,000 (banker's cheque) made out to the Israel Lands Administration, which will be regarded as an advance payment on the cost of the land.

Additional details at the above office of the Administration.
This notice in force until July 29, 1984.

ARIM, MUNICIPAL LANDS DEVELOPMENT Co. Ltd.

MINISTRY OF CONSTRUCTION AND HOUSING
Neger District

Marking Time

In MX Plan, the House Makes The Problems the Solution

By STEVEN V. ROBERTS

REPRESENTATIVE Les Aspin, the Wisconsin Democrat, once said that if you give Congressmen a chance to vote on both sides of an issue, they will do it every time. Last week, Mr. Aspin had another example. With the House of Representatives facing an excruciating choice over whether to halt production of the MX missile or forge ahead with a full-scale procurement schedule, Mr. Aspin found a way for the lawmakers to settle somewhere in the middle.

His compromise, approved 229 to 199, provides \$1.8 billion for only 15 missiles; that compares to 40 requested by the President and 30 approved by the Armed Services Committee. Moreover, the money cannot be spent until next April, while attempts proceed to lure the Soviet Union back to strategic weapons talks they abandoned in December. If Moscow renews negotiations, the funds go unused; if the talks do not resume, construction of the missiles goes ahead.

On the other side of Capitol Hill, a Senate subcommittee acknowledged the rising doubts about the missile system and voted to build 21 new weapons. The Senate bill does not contain the conditions laid down by the House, but when the authorization legislation clears both houses and goes to conference committee, some sort of restriction is likely to be included.

As the lawmakers debated the MX, they were considering far more than a piece of military hardware. The real topics were relations with the Soviet Union, the future of arms control efforts and the state of the Atlantic alliance. Through all these discussions, the underlying questions were: What do the Russians really want? Is it best to deal with them through force or through reason?

What Mr. Aspin understood, and what his compromise reflected, is that most Congressmen are confused and ambivalent about their answers. They want to appear strong but not belligerent, sympathetic but not soft. They want to control the arms race, but they do not know how. They want to take risks for peace, but not too many, and they certainly don't want to be accused of favoring "unilateral disarmament."

The outcome last week was determined by 10 Congressmen who voted to eliminate production money for the MX last year but switched their votes and supported the missile this time. One was Representative Robin Tallon, a freshman Democrat from South Carolina, who still thinks the MX is a wasteful and useless weapon. But since Congress last voted, he noted, "relations between the Soviet Union and the United States have become worse." The Korean airliner was shot down, the arms talks in Geneva collapsed and on the eve of the vote the Russians boycotted the Los Angeles Olympics. So, like the majority of his colleagues, Mr. Tallon was in no mood to "reward" the Soviets or "capitulate" to their demands by scrapping the weapon. Instead, he grasped the distant hope that going ahead with a limited production schedule would provide a tasty enough carrot, and a big enough stick, to force a resumption in negotiations.

Reflecting the climate on Capitol Hill, Mr. Tallon said: "I don't think the MX is a good weapon, and I don't think we ought to be doing this. But I hate to see the Soviets developing new missiles while we do nothing. We have to put some pressure on them."

The New York Times/George Thomas
Representative Les Aspin

The confusion on Capitol Hill is compounded of several factors, and one is the nature of the MX itself. After a decade of debate, the best minds in the Pentagon could not figure out a way to make the weapon invulnerable to a first strike. To critics, this failure rendered the missile at best useless, and at worst dangerous. But as Mr. Tallon indicated, the clouds shadowing American-Soviet relations these days chilled the whole debate. There was an almost visceral reluctance to do anything that would please the Russians, even if that meant spending billions of dollars on a weapon of dubious value.

Another consideration that cut both ways was the state of the NATO alliance. Proponents of the MX argued that at a time when some of America's allies were deploying cruise and Pershing 2 missiles on their own soil, Congress could not undercut that show of good faith and solidarity by rejecting the MX. The opponents retorted that Moscow was far more concerned about the cruise and Pershing missiles than about the MX. So even if the MX funds were excised, they argued, that left billions of dollars for weapons that are much feared by Moscow.

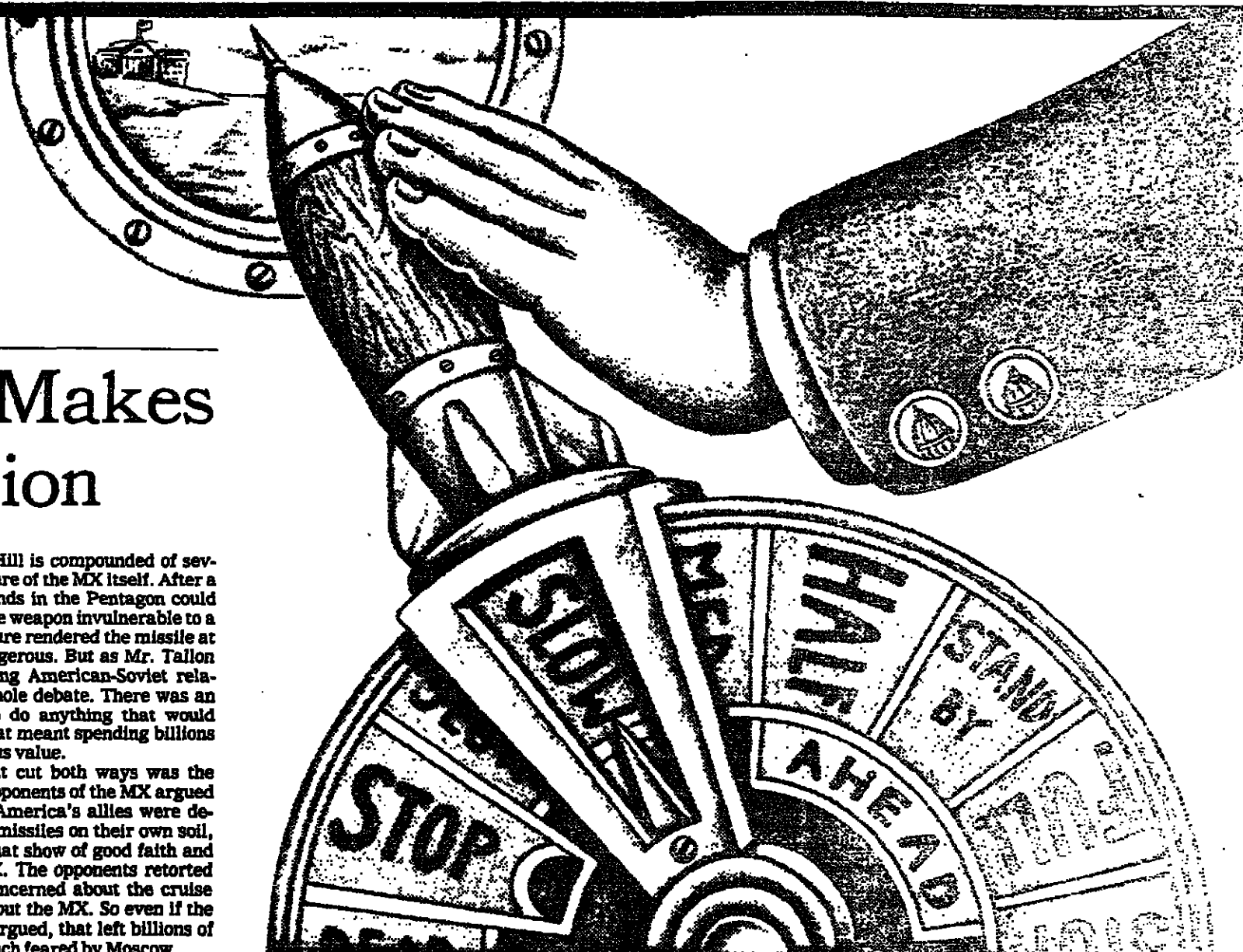
In trying to evaluate the MX, the members also had to ponder the nature of modern warfare. Given the rising budget deficit, many lawmakers felt that the Pentagon must set some priorities, and they agree with Senator Sam Nunn of Georgia, who argues that emphasis on high-priced, high-visibility weapons like the MX is starting to squeeze out money for more useful conventional arms.

The Aspin compromise also succeeded because it mirrored the conflicting feelings expressed by many Congressmen toward President Reagan. After the vote, Speaker Thomas P. O'Neill credited the President with playing a key role in rescuing the missile. Most Congressmen remained reluctant to take a firm stand against a President on a national security issue. Moreover, many Democrats still fear his ability to take his case directly to their constituents.

But many in Congress are unhappy with the Administration's approach to arms control and suspicious of its sincerity. This includes Mr. Aspin himself, who supported the MX last year primarily on the ground that it would lead to serious negotiations. Slashing the Administration's request and freezing it until April, he explained, has the value of putting some pressure on the White House as well as the Kremlin.

Similar doubts have also helped shape Congressional attitudes on aid to Central America. Earlier this month, after a Presidential television address, the House approved economic and military aid for El Salvador and other countries in the region. But last week, a conference on an appropriations bill collapsed when the House delegation refused money to C.I.A.-aided rebels fighting the Nicaraguan Government. Through accounting procedures and circuitous arms transfers, however, the Administration has been finding ways of getting around Congressional restrictions on military and intelligence spending for Central America.

The final and possibly the most confusing factor of all is the impending election in November. Whoever wins the Democratic nomination will oppose Mr. Reagan on the MX and many other foreign policy issues. That fact was brought home just before the vote by a letter from Walter F. Mondale and Senator Gary Hart asking Congress to eliminate the missile. So Congress would just as soon occupy the muddy middle ground for now, and await the judgment of the voters.



Missile history, from the ground up

Nov. 1971. Strategic Air Command proposes new mobile intercontinental missile, or MX.

Dec. 1973. Congress appropriates first \$6 million for research and development.

May 1974. Development of the MX begins. More than 30 ways to base the missile are eventually considered.

June 1979. President Carter decides to start full-scale development.

Sept. 1979. Carter proposes basing missiles in a network of shelters in the Nevada and Utah desert. Missiles are to shuttle between shelters on a "racetrack."

Oct. 1981. President Reagan cancels "racetrack" basing program. Proposes basing first 36 missiles in Titan missile silos.

Dec. 1981. Senate votes disapproval of Reagan's plan.

Jan. 1982. Air Force changes MX warhead. Reagan changes plan, first missiles to be based in reinforced Minuteman silos in Wyoming.

May 1982. Senate gives Reagan a Dec. 1 deadline for a permanent basing plan.

Nov. 1982. President Reagan proposes clustering 100 MX missiles in a "dense pack" in Wyoming.

Dec. 1982. Congress requests a report on alternatives; holds back production funds.

April 1983. The report, by the Scowcroft Commission, recommends basing 100 missiles in hardened Minuteman silos.

May 1983. Congress endorses the Scowcroft Commission's decision, releases initial production funds.

June 1983. First flight test of MX is successful.

July 1983. Congress gives preliminary authorization to funds for 21 MX missiles in fiscal 1984. House links funds to arms control.

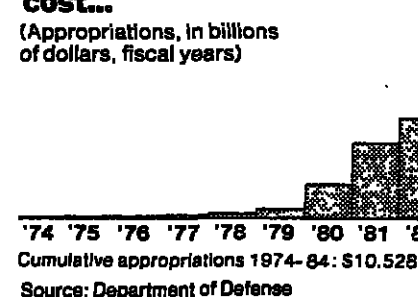
Nov. 1983. Congress approves funds for production of 21 missiles in fiscal 1984.

Spring 1984. Reagan requests funding for 40 missiles in fiscal 1985. House Armed Services Committee approves 30.

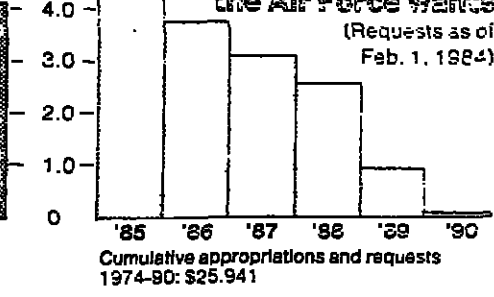
May 11, 1984. Congressional General Accounting Office report questions effectiveness of MX.

May 16, 1984. House votes to fund 15 missiles in fiscal 1985 if Soviets do not return to arms talks.

How much the MX has cost...

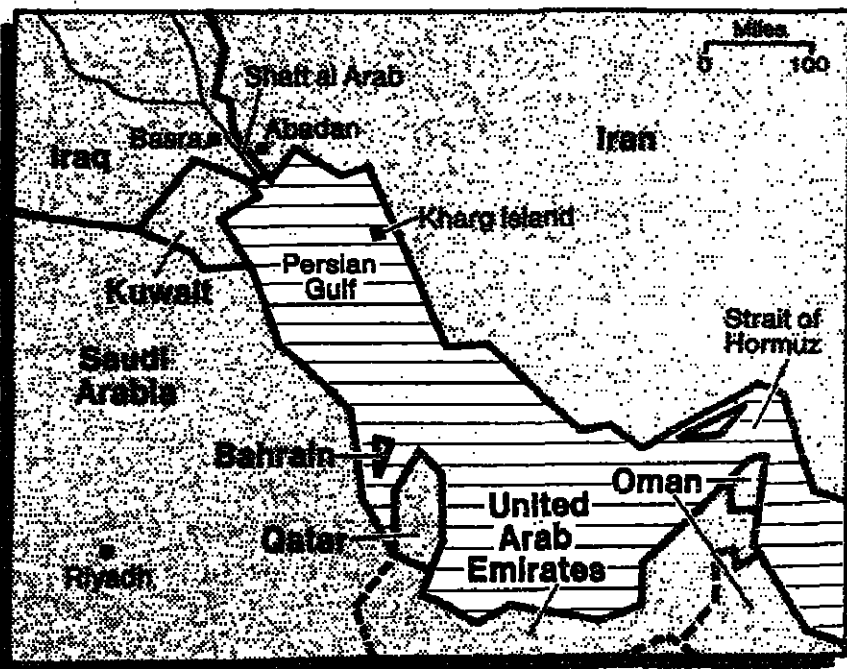


...and how much more the Air Force wants



Major News

In Summary



Gulf Shippers, Under Attack, Wave Off Help

With only intermittent interest, the world has watched Iran and Iraq war on each other since September 1980. Last week, for the fifth time in three weeks, a tanker in the Persian Gulf

was attacked from the air. The West, which depends on oil from that region for almost 20 percent of its needs, took sharp notice.

While insurance rates and the price of oil in the spot and futures markets shot up, the Reagan Administration let it be known that it was once again ready to apply force in defense of American and Western interests. Indeed, well before the latest

attack on a Saudi tanker by planes identified as Iranian by Administration officials, the United States was telling the Gulf countries it was ready to discuss military contingencies, including air cover, but stressed that the beneficiaries would have to provide bases. The United States was seen as an embarrassing and possibly dangerous presence, however, when the question was raised last month, and neither Saudi Arabia, Kuwait nor the others accepted. Washington has also discussed joint action with Britain and France with no conclusive results. Among the Gulf states, only Oman (along with Kenya, Somalia and Egypt) has agreed to furnish bases for a rapid deployment force known as the United States Central Command. The Pentagon feels more is needed to protect shipping but even these bases are running into trouble among members of Congress wary of more military commitments abroad. A request for money to build up the bases was sharply reduced by the House Armed Services Committee last week.

Iraqi planes have been trying to reduce Iran's oil income by attacking tankers en route to or from Kharg Island, the main Iranian oil terminal. Iran now appears to be retaliating against Arab countries sympathetic to Iraq. Three Saudi and two Kuwaiti tankers have been attacked in the Gulf since April 25. Two Saudi tankers were hit by Iraqi planes and one Saudi and two Kuwaiti tankers by the Iranians. A freighter of Panamanian registry was reported to have sunk yesterday near Kharg Island shortly after Iraq claimed hits on two ships in Iranian waters.

Determined to maintain freedom of navigation in the Gulf and through the Strait of Hormuz, the United States has a carrier battle group headed by the Kitty Hawk in the Arabian Sea and a destroyer and four frigates in the Gulf. This appeared to be about as close as the Gulf countries wished to see an American military presence for now, although the Saudi Arabian Ambassador, Prince Bandar bin Sultan, sought and obtained assurances the United States would help in a crisis. Pentagon strategists say land bases, radar installations and warehouses are needed to make air power effective. But until they felt they had no other recourse, none of the Gulf states seemed willing to furnish such facilities or engage in joint planning with Washington for fear of reprisals by Iranian- and Syrian-backed extremists. Fear of a confrontation between the United States and the Soviet Union in the Persian Gulf also played a role. The Speaker of the Iranian Parliament, Rojatoollah Hashemi Rafsanjani, warned that Iran would wage holy war "everywhere in the world" if the big powers intervened in the Gulf. Arab foreign ministers met in Tunis yesterday and the Gulf states, fearing the Iran-Iraq war might spread to them, were reported to be seeking support from other Arab countries.

Senate Bites The Deficit

Five weeks and 111 hours of debate later, the Senate finished a mere \$3 billion away from where it started

when it first took up President Reagan's \$144 billion compromise "down payment" on the deficit. Last week's healthy margin of approval of a \$1.1 billion package was a reflection less of enthusiasm with the plan than of a careful reckoning with assorted political realities.

On the part of the Senate leadership, there was a symbolic \$2 billion bow to holdout moderate Republicans unhappy with cuts in education, health and environmental programs. On the part of the moderates, there was the pull of party loyalty — and the President's promise that he would veto major deviation from the plan he already approved. Senator Lawton Chiles of Florida, ranking minority member on the Budget Committee, spoke for many Democrats. "At some point," he said, "I'm for deficit reduction." The point he had in mind was Election Day; after a number of close calls, the President's plan was the only one left on the floor, and few Democrats wanted to be on the record as against bringing the deficit down, even if only by one-fifth over three years.

The package the Senate passed 74 to 23 is equal parts tax increase, domestic spending cuts and military buildup slowdown. A reality not dealt with but looked forward to with much apprehension is the plan the House passed weeks ago. It would save \$182 billion, and take far more from defense and give far more to domestic programs. "I have a rule never to have more than one fit at a time," Senate majority leader Howard H. Baker Jr. said when asked about prospects for reconciliation. "I'm still trying to survive this one." The White House's difficulties last

week were within as well as without. Longstanding policy and personality differences erupted again, this time in a denunciation (later followed by an apology) by White House spokesman Larry Speakes of budget director David A. Stockman. He said Mr. Stockman had anonymously given out a "bum story" suggesting that the White House feels it has been too critical of the Federal Reserve. Mr. Reagan's political strategists are worried that higher interest rates will tamp down the recovery as November nears; his economic planners worry that the economy's boom will reignite inflation. Last week's reports left little doubt about economic strength. The growth rate for the first three months of the year was revised up again, to 8.8 percent. As for April, industrial production rose 1.4 percent, almost three times the March increase.

Opposition gains on Marcos

3

The World

A Wide Appeal To Let the Sakharovs Go

For years, the Soviet authorities have been trying to make Andrei D. Sakharov, the nuclear physicist, human rights advocate and Nobel Peace Prize winner, into a nonperson forgotten by the outside world. Far from forgetting, government, academic and scientific leaders last week joined in a chorus of appeals to let Dr. Sakharov and wife, Yelena G. Bonner, leave the Soviet Union.

Dr. Sakharov began a hunger strike May 2 to protest the Government's refusal to let his wife go abroad for medical treatment. Her children said she recently joined him in refusing food and that both were near death.

Once honored as a developer of the Soviet hydrogen bomb, Dr. Sakharov has been kept under surveillance since 1980 in Gorky, a city 250 miles from Moscow. Recently his wife was barred from relaying his messages to friends in the capital and abroad. Tass, the Soviet press agency, accused her of plotting to take refuge in the American Embassy during the hunger strike in what it asserted was a plot to slander the Soviet Union.

She did give letters from Dr. Sakharov to American diplomats in Moscow, discussing his plans for the hunger strike and asking the embassy to take her in, the State Department said last week. But American officials repeated earlier denials that they had any part in the Sakharovs' plans. Tass repeated its charges yesterday that the embassy was involved in a conspiracy with the Sakharovs and asserted that it was now trying to "wriggle out" of its involvement.

The State Department said Soviet treatment of the couple was "inhuman and virtually incomprehensible." The Senate and the House passed protest resolutions. Presidents of six leading American universities and 36 members of the National Academy of Sciences also sent appeals. Stanford and the Massachusetts Institute of Technology invited Dr. Sakharov to join their physics faculties.

In Europe, West German Chancellor Helmut Kohl asked Moscow to let the Sakharovs go. French President François Mitterrand called for all possible protests to insure their lives and freedom and was expected to raise the issue directly when he visits Moscow next month. The 10-nation European Common Market sent an appeal on their behalf to Foreign Minister Andrei A. Gromyko.

The Message From Mexico

Mexico's President Miguel de la Madrid visited Washington last week and warned anew against runaway conflict in Central America. "This continent must not be a theater for generalized violence that becomes increasingly difficult to control," he said. Evidently alluding to the Reagan Administration's military role



The New York Times/Paul Rosenthal
President Miguel de la Madrid, with Chief of Protocol Selva Roosevelt, greeting members of Congress.

and its refusal to accept World Court jurisdiction over mining Nicaragua harbors, he rejected "interventionist solutions of any kind."

Mr. Reagan's welcome was cordial but he gave no indication of altering his course. "Responsible governments of this hemisphere," he said, "cannot afford to close their eyes" to the conflagration in Central America. "Totalitarians," he contended, "have been pouring gasoline onto the fire by pumping (in) massive supplies of weapons" and sending "thousands of Cubans and Soviet bloc military personnel."

Underlining the connection between world economic and security problems, Mr. de la Madrid blamed rising interest rates and the United States deficit for lowered living

standards in Mexico. "How," he asked a joint meeting of Congress, "can we explain that the developing countries are being told to reduce public expenditures while other countries make use of a growing deficit as an essential lever for their recovery?"

His concern was shared by West European leaders. "Everyone is anxious about rising U.S. rates," Sir Geoffrey Howe, the British Foreign Secretary, said at a meeting in Paris of the 24-nation Organization for Economic Cooperation and Development. A 1 percent rise in American rates adds at least \$3.5 billion a year to the interest the developing world owes on foreign debt, he said. Treasury Secretary Donald T. Regan rejected calls for "new approaches." He reaffirmed "current debt strategy" that emphasizes austerity in debtor countries and reduced trade barriers.

Mr. de la Madrid and President Reagan, in three meetings in as many days, reached tentative agreement on one important trade issue—United States industries would be required to show proof of injury before requesting tariff protection against Mexican exports, while Mexico would eliminate direct subsidies on exports.

Panama's New Leader

After 11 days of counting, the Supreme Election Tribunal of Panama made it official last week. Nicolás Ardito Barletta, an economist and World Bank official, was elected President. He narrowly defeated former President Arnulfo Arias Madrid, the 82-year-old opposition leader, 300,748 to 299,035. Mr. Arias had won three earlier elections and was deposed each time by the military.

Opponents portrayed Mr. Barletta as a front man for the military. But the President-elect said, "I take at face value the military's commitment that they will withdraw from politics." The National Guard had run Panama since 1968.

Libyan Overtures For Chad Accord

Since last summer, some 3,000 French and 5,000 Libyan troops have faced each other in Chad in a political and military standoff. Last week, Col. Muammar el-Qaddafi, the Libyan leader, was reported to have proposed a mutual withdrawal. The French were wondering how seriously to take him. Until he made the proposal, Colonel Qaddafi had denied he ever had troops to withdraw.

Neither side likes being stuck in the arid wastes that constitute most of the huge, landlocked African state, which has enjoyed only nominal independence from France since 1960. Libyan officers were reported as particularly unhappy with their desert exile, which may be reason enough for Colonel Qaddafi to seek a way out. Libya, which controls the northern areas adjacent to its southern border, would like a friendly government in N'Djamena and has been supporting former President Goukouni Oueddei against President Hissen Habré, backed by France.

What to do with Mr. Habré appeared to be the biggest stumbling block to an accord. France, Algeria and Congo have been trying to promote reconciliation among the Chadian political factions but with little success thus far.

Raiders Strike In South Africa

South Africa's nonaggression pact with Mozambique in March appeared to deprive the African National Congress of its principal base from which to launch attacks on the Pretoria Government and its apartheid policies. Last week, as if to show it could still operate, the congress claimed responsibility for a rocket attack on an oil refinery in the port city of Durban. In a battle with the police, the four attackers were shot dead.

It was the most spectacular example of urban violence in South Africa in a year and indicated a more aggressive attitude by the congress, the largest opposition movement, which has usually avoided civilian targets and concentrated on the military and the police. The refinery is owned by a subsidiary of the Mobil Oil Corporation, which reported little damage.

The agreement between South Africa and Mozambique is part of a diplomatic effort by Pretoria to increase the security of its borders. Each country pledged itself not to serve as a refuge and base for guerrilla forces operating against the other. Where the Durban attackers came from was not clear but South Africa did not immediately blame Mozambique for a treaty violation. In the past, its retribution has been swift, with commando raids and air attacks on Maputo, Mozambique's capital.

Henry Ginzler
and Milt Freedenthal

More Arrests Last Week in the Crackdown on Cocaine



Colombian police officer examining bags of cocaine seized at jungle processing plant in March.

Colombia Starts to Feel Side Effects of Drug Trade

By ALAN RIDING

BOGOTÁ, Colombia — While he lived, neither Government nor public seemed to support Justice Minister Rodrigo Lara Bonilla in his campaign against Colombia's powerful narcotics rings. Instead he received only daily death threats for his efforts. Yet Mr. Lara's murder three weeks ago appears to have achieved what he had been unable to accomplish during eight months in office: the Government is waging its first full-scale offensive against drugs, and Colombians have suddenly awakened to the damage caused by narcotics to their entire society.

"It was as if we were anesthetized," a newspaper editor said. "There was tacit toleration. People argued that narcotics brought in dollars, they created jobs, they were an American problem and so on. We learned to coexist with the phe-

nomenon." Even the raids on clandestine laboratories and the arrests that continued last week suggested that the authorities knew all along who was doing what and where. President Belisario Betancur nevertheless repeated his declaration of war against drugs after what he described as the country's "moral vacations." He added: "There will be no going back."

The United States, which receives 90 percent of its cocaine and 60 percent of its marijuana from Colombia, warmly welcomed the change. Two of the 23 drug operators whose extradition was requested by Washington last year have been arrested and the President has signed a five-month-old extradition order for a third dealer, Carlos Lehder Rivas, who reportedly has fled to Peru.

But dismantling the drug empire will not be easy. With estimated annual revenues of \$2 billion, it employs thousands of Colombians to grow coca leaf and process coca paste from Bolivia

and Peru. It has also invested in legitimate businesses, weakened the judiciary through threats and corruption and has infiltrated politics.

Many Colombians believe the scene was set for confrontation with political leaders when big drug dealers began meddling too openly in public affairs. "They seemed to think they could buy respectability in just 10 years," a businessman said. "In the Italian mafia, it takes one generation. Here they were too brash, too vulgar, too quick."

When the focus of Colombia's drug trade switched from marijuana to cocaine in the late 1970's, greatly increased fortunes were at first invested in luxury homes, large farms, private aircraft and imported automobiles, as well as expansion of the narcotics business.

Then, as traffickers learned to launder "hot" money through United States banks, they began laundering their image at home. Some bought soccer teams, two built first-rate zoos, one constructed a bullring. Fabio Ochoa Restrepo, who is now in jail, launched a populist "Medellín Without Slums" program in his home town. Drug operators donated hospitals, schools and churches to communities.

During Colombia's 1982 general election, rumors circulated that drug money had poured into the campaigns of many candidates, sometimes without their knowledge. Fabio Escobar Gaviria, a man said by officials to be the country's largest single dealer, was elected to Congress as an alternate deputy. (He still enjoys parliamentary immunity but has fled the country.) Carlos Lehder, who has been indicted on drug charges in the United States, founded a provincial newspaper and the extreme-rightist Latino National Party, which fought against applying the 1982 extradition treaty with the United States. He led demonstrations outside Congress to demand its revocation.

Facing the Consequences

But it was only after an ABC Television special, "The Cocaine Cartel," named Colombia's top three dealers last August that Mr. Ochoa, Mr. Escobar and Mr. Lehder were publicly linked to narcotics in Bogotá. Even after the murder in February of a young lawyer, Edgar González, who had challenged the President for not applying the extradition treaty, there was no public outcry. Mr. Lara, the Justice Minister, was almost alone in denouncing "hot" money in politics, in pressing for application of the extradition treaty and working with United States drug enforcement authorities. But since his death, he has been proclaimed a national hero.

The country must still face the consequences of previous indifference. When oversupply drove down the price of pure cocaine, dealers began dumping cocaine base in Colombia and tens of thousands of youths became addicted to what is known here as "bazuka."

Such is the fear and corruption among Colombian judges that the Government declared a state of siege so that dealers could be tried by military tribunals. It was a difficult move for Mr. Betancur. He is the first President in decades to govern without resorting to emergency powers. And success in the crackdown could mean the loss of hundreds of million of dollars in foreign exchange earnings and the likely "flight" of drug money invested in local banks and businesses. Already last week officials attributed the sharp rise in the black market price of the dollar to purchases by nervous traffickers.

With their eyes on the past, many Colombians remain skeptical that the Government can keep up its offensive. Some believe that Mr. Lara's murder was ordered by middle-level operators anxious to provoke reprisals against the big-name traffickers. Others argue that the industry will survive so long as demand exists in the United States.

But a former President, Carlos Lleras Restrepo, said Mr. Lara's death had brought the rebirth of morality in Colombia. "It is vital to stimulate and sustain this reaction," he said, "but this depends only partly on actions of the authorities and to a much greater extent on the social conscience."

Salvadoran President Is to Meet With Reagan Tomorrow

Duarte Seems to Have Breathing Room

By LYDIA CHAVEZ

SAN SALVADOR — As José Napoleón Duarte prepared last week to return to the presidency of El Salvador, he faced familiar challenges from leftist rebels fighting in the countryside and far-right forces in the capital. Mr. Duarte, who is to meet President Reagan in Washington tomorrow, is still a contentious populist. But this time, in contrast to his term as head of the junta in the early 1980's, he began in a conciliatory vein.

Between dances at a campesino union party last week, he told supporters, "We have to be cautious, we have to be careful, because if we go too fast, we'll destroy the whole thing." At accreditation ceremonies, Mr. Duarte said he wanted to be President of all Salvadorans "from the extreme right to the extreme left."

Attacks from right and left could again cripple his administration. But noting changes since the chaotic days of the junta, a usually skeptical American official saw some room for optimism. An important factor is that the armed forces evidently have bridged deep divisions between liberal and far-right elements to become more stable and professional. The army had been plagued by infighting between progressive officers who led the 1979 coup, and traditionalists tied to the oligarchy. The rightists prevailed, but in the last two years, many extremist officers have been pushed aside by a new conservative professional group that seems willing to give Mr. Duarte the opportunity to prove himself. "There are still officers who work with certain political groups," a senior officer said, "but it used to be 70 percent of the army that was political and 30 percent that wanted to stay apolitical. Now that has been reversed."

The army's new direction was prompted by financial ties with Washington and preoccupation with expanded fighting. Gen. Eugenio Vides Casanova, the Defense Minister, says. The Army's professionalism will be tested when it decides whether to retire or transfer well-known rightists. If they stay, an army official said, Mr. Duarte may be unable to forge the alliance with the army he needs to obtain room to maneuver. The rightists include Col. Nicolás Carranza, head of the Treasury Police, Col. Francisco Morán, former head of the security force who now runs



U.S. military adviser carrying a wounded Salvadoran soldier in Chapeltique earlier this month.

the electric company, and Lieut. Col. Denis Morán, the commander in the southern province of La Paz, who is suspected by American officials of involvement in the deaths of two American labor advisers. (In another controversial case, a criminal judge said five former national guardsmen accused of murdering four American churchwomen would go on trial this week.)

Even with rightists out of the way, Mr. Duarte

must act cautiously to keep the support of army conservatives. Many of them favored him over the rightist candidate, Roberto d'Aubuisson, because of Mr. Duarte's ability to get American aid. But they are skeptical of his intention to bring the left into the political process and of his reputed advocacy of civilian government at the military's expense. Accordingly, Mr. Duarte has asked General Vides Casanova and Col. Adolfo O. Blandon, the Chief of Staff, to stay on through his first year, military and political sources said.

Threats from Cotton Growers

Mr. Duarte will need the army's help in placating the far-right business and political community. For the most part, businessmen have taken a wait-and-see attitude, but some have been excited by Mr. d'Aubuisson's charges that the election was stolen by the Central Intelligence Agency. Cotton growers have already challenged Mr. Duarte, threatening a producer's strike unless prices are raised. The far-right fringe will probably never accept Mr. Duarte, but its ability to carry on subversion against him would be weakened if the private sector was neutralized, an American official said.

Finally, Mr. Duarte has to cope with leftist insurgents who now dominate the fighting in much of eastern and northern El Salvador. Overtures to the left could upset the army and touch off right-wing violence as happened last summer when the Government's conservative Peace Commission held talks with leftists. The army's attitude toward dialogue, some Salvadoran military officers say, may turn on whether it feels confident at the time that it has the upper hand against the guerrillas.

Guerrilla activity has slackened in recent months. As in past years, a strong autumn offensive seems likely, although no one in El Salvador expects anything on the scale of the Tet offensive in Vietnam, as some Washington officials have suggested. But the fall fighting could be dangerous. If the army again is unable to hold off the guerrillas, American and Salvadoran officials warn, the far right could argue that Mr. Duarte had undermined the country's resolve and was moving toward negotiating from weakness. A demoralized army might once again turn to the far right, an alliance that could prove fatal to Mr. Duarte's presidency.

Philippine Economy Makes Foreign Bankers Edgy

Now Marcos's Rivals Can Look Over His Shoulder

By STEVE LOHR

MANILA — For President Ferdinand E. Marcos, the striking gains that were scored by his political rivals in elections for the National Assembly last week represent a challenge more than a defeat. Mr. Marcos will now have to contend with a genuine opposition in government for the first time since 1972, when he declared a reign of martial law that lasted until 1981.

Mr. Marcos's opponents will form a sizeable minority in Parliament, judging by still partial and contested returns from the voting Monday. They will undoubtedly confront Mr. Marcos at every opportunity and plan to use the assembly to air their complaints.

The Philippine economy is in dire straits. Most private analysts expect the economy to shrink by 5 percent or more this year, and unemployment is estimated at 23 percent. The world recovery has ignored the Philippines. The Government is negotiating with the International Monetary Fund and private bankers to reschedule much of its \$25.6 billion debt. To insure repayment, the I.M.F. is insisting on a hefty devaluation of the peso and cutbacks in government spending. This belt-tightening will not be welcomed by Filipinos.

The measures will be all the more difficult to accept because, as a result of policies pursued during Mr. Marcos's 18-year rule, the Philippines is "a poor country with some incredibly rich people," as one Western economist put it. That most of the ostentatiously wealthy are the personal friends of Mr. Marcos is no coincidence. In fact, the foreign bankers are reportedly making their funds contingent on some assurances that the advance of "crony capitalism" will be checked in the Philippines.

Still, despite his apparent weaknesses, Mr. Marcos appears to be firmly in control and the significance of the election will depend largely on how the President chooses to respond to demands for freedom and reform. The National Citizens Movement for Free Elections, an unofficial

group that was formed to monitor the vote, reported that with about 70 percent of the ballots counted, the ruling party had won or was leading in 98 races. The opposition, including the independent candidates, was leading in 85 contests.

The opponents of Mr. Marcos, who charged widespread vote-rigging, will probably fall well short of a majority in the 200-member assembly, analysts agree, but their showing was a decided improvement over 1978, when they won 13 seats. In addition to his elected followers, Mr. Marcos will fill 17 seats by appointment. The Government's Commission on Elections announced that final results will not be in until next week.

Once the new Parliament is in place, Mr. Marcos, a masterful tactician, is likely to court those members who are now outside his camp. Some of the independents and even a couple of the opposition candidates ran against Mr. Marcos because they did not make the cut on the ruling party ticket.

Decree Powers Contested

"There are a few people I cannot count on," conceded Salvador H. Laurel, president of the United Nationalist Democratic Organization, a federation of the main opposition groups. "And Marcos will, of course, try to buy off some opposition representatives."

In addition to fragmentation among the opposition, one of the President's strengths is his decree-making powers, which he can use to bypass the legislature and make laws by himself. Opposition leaders argue that these powers terminate at the end of June with the old assembly, but this view remains to be tested.

Yet with a stronger opposition having just received a show of public support, Mr. Marcos may be more hesitant to use his powers, some Western diplomats predict. The United States Government hopes so. Since the murder last August of opposition leader Benigno S. Aquino Jr., Washington has stated emphatically that it wanted to see "fair and free" elections with the hope they would



At the polls in Manila last week.

help produce a more democratic society.

The American Government, with two huge military bases in the Philippines, is interested in long-range stability. Similarly, it is concerned about the growing Communist insurgency carried on by the New People's Army, and the economic and social conditions that have increased the movement's popularity. "Marcos is the N.P.A.'s greatest recruiter," said Emanuel V. Soriano, former president of the University of the Philippines.

The Courts' New Clout

Canada Gets A Lot More Civil About Civil Rights

By DOUGLAS MARTIN

TORONTO — Franklin Baker was acquitted of second-degree murder last month after a Canadian judge threw out his confession. Mr. Baker said he had stabbed a 50-year-old man with a scissors, but forensic experts said the victim's wounds could not have been inflicted by scissors. The defendant, who is 17 years old, half black and half Indian, told the judge that Hamilton, Ontario, police beat his head against a wall until he confessed.

The story has a familiar ring for Canadians, who have never had the civil rights and liberties that Americans take for granted. Some Canadians have been jailed on the basis of illegally obtained evidence; members of the legendary Royal Canadian Mounted Police have been known to commit burglary and arson and to plant evidence on innocent people, all without punishment. A joke has it that an arrested person's rights are limited to saying "please" and "thank you" to the officer.

When a Quebec cabinet minister was kidnapped in 1970, Prime Minister Pierre Elliott Trudeau suspended habeas corpus, sent troops into Montreal and arrested 456 Quebecers, holding them for two weeks without access to counsel. Almost none were even remotely connected with the crime. But a Gallup poll showed 87 percent of Canadians in favor of the actions.

Now, however, Canadians may soon get rights similar to those the United States has had for nearly two centuries. Courts are defining the Charter of Rights and Freedoms in the new Constitution. Already, 2,500 Charter-related cases have reached the courts, 31 cases going to the Supreme Court of Canada. The Justice Ministry is redrafting hundreds of laws to conform to the two-year-old Charter. Lawyers say judges have already been more lenient in setting bail; police behavior has improved, at least cosmetically (Mr. Franklin's case is an obvious exception), and more people in custody are using their new right to call an attorney.

Until now, power has been vested primarily in Parliament. The courts have acted as often-timid referees, basing most judgments on common law. Judges tended to make conservative interpretations of the pre-Charter federal bill of rights and various provincial rights laws. "Before, we had rights without a remedy, and rights without a remedy are useless," said Morris Manning, a Toronto lawyer who wrote a book about the Charter. Brian Dickson, the new Chief Justice, is aware that his decisions may resound like those of John Marshall, the first United States Chief Justice. "We are going to have a much more important function as an umpire between the state and the individual, to make sure the individual's rights are protected," Justice Dickson has said.

Colonial Mentality?

"Unlike Americans, whose natural response to an invasion of rights by the state is to fill Washington with demonstrators, Canadians tolerate even brutal use of authority with approval," wrote June Callwood, a civil liberties expert. She believes part of the reason may be that while the United States was founded by rebels, Canada retained a colonial mentality. "We never had any rights, and we liked it just fine, thank you," said Clayton Ruby, a civil liberties lawyer.

Many Canadians still argue that constitutionally entrenched rights will give the judiciary too much power at the expense of politicians, who can be voted out of office. "The judicialization of politics is a retrogressive and harmful step," said Allan C. Hutchinson, a York University law professor.

But Canadians seem to be stirring with unaccustomed individuality. "There's no question that there's a much more sensitive constituency now for civil liberties," said A. Alan Borovoy, the Canadian Civil Liberties Association's counsel. For example, reaction to the Government's proposal last year to create a new domestic espionage agency was stiff, forcing major changes.

Mr. Trudeau, who will retire next month, has been the Charter's principal advocate, carrying on a long battle with the provinces before prevailing. He wrote extensively about the importance of civil liberties during his years as a law professor. "This is undoubtedly his greatest legacy," Mr. Manning said. "Being the father of a Constitution is certainly no mean feat." But the Charter's importance will depend in the end on decisions of the top judges, who may choose to interpret it narrowly. In its first such decision, the Supreme Court ruled that the Charter guarantee of "the right to pursue a livelihood" was not violated when the Law Society of Ontario denied the right to practice law to a permanent resident because he was not a Canadian citizen.

Pending high court decisions may prove instructive. One appeal, from a decision on Sunday closing laws, could sharply define church-state relations. In another case, a British Columbia court said a driver's license cannot be taken away for conviction of a nondriving offense. This case may indicate the extent to which judges can address questions of substance as well as process. Other cases involve police procedures for search and seizure. "We're waiting with bated breath," said Dianne Martin, a Toronto criminal lawyer.



Prime Minister Pierre Elliott Trudeau (left) with Chief Justice Brian Dickson in Ottawa last month.

Washington Tries to Stem the Electronic Brain Drain

The Costs of Selling U.S. Technology



Workers at the Kama truck factory, built with American technology, on the Kama River in Brezhnev, U.S.S.R.

Soviet bloc's foreign suppliers

Sources of imported capital goods as a percent of total imports

1975	East Europe	1982
68.9%	Common Market	62.2%
21.7	Other Europe	26.0
	Japan	
	North America	

1975	Soviet Union	1982
57.6	Common Market	38.6
16.5	Other Europe	26.5
	Japan	32.2
	North America	

Source: O.E.C.D.

By PAUL LEWIS

PARIS — The Reagan Administration's campaign to plug leaks of Western high technology to the Soviet bloc is causing fresh tensions in the Atlantic alliance.

Barely a year ago, the United States provoked a trans-Atlantic row when it tried vainly to stop its European allies from helping the Soviet Union build the Urengoi gas pipeline by withholding American-designed machinery. Now European governments are protesting new restrictions that make it harder for foreign companies to buy advanced American equipment lest it fall into Soviet hands. Earlier this year, I.B.M. warned European clients they could no longer lend or resell its computers.

The Western alliance is also divided over the Administration's demand for an extension of NATO's strategic embargo list to cover new "critical technologies" deemed valuable to the Soviet military. And scientists on both sides of the Atlantic are worried by Administration attacks on the free flow of information within the academic world; the presidents of the Massachusetts and California Institutes of Technology and Stanford University threaten to abandon defense research if the Pentagon imposes new restrictions.

proceedings of scientific conferences. Last year, the French counterintelligence service took the unusual step of publishing a detailed account of how the V.P.K., the Russian Commission for Military Industry, also organizes widespread theft of secret Western technology.

Examples of civilian goods with military applications transferred to the Soviet Union include the 1979 sale by Sweden's Datasab of an air traffic control system able to pinpoint hostile aircraft and missiles, the 1972 sale by the United States of 183 Bryant Centalgin B precision grinders that may have made Russian missiles more accurate, and the Kama truck plant, built with American technology, which also produces military vehicles.

Soviet bloc imports of Western technology soared during the years of détente in the mid-1970's as many Communist countries sought to modernize their economies. They hoped to pay for the machinery they bought by increasing exports to the West.

Strategic Buttons

But this "import-led" growth strategy failed as a result of the world recession and because the Soviet bloc had difficulty making efficient use of the Western technology. Today the overindebted Eastern bloc countries are drastically reducing Western imports and striving

for greater self-sufficiency. John A. Martens of the United States Commerce Department estimates that the "high-technology" component in these imports is also declining. The Soviet bloc countries still obtain most of this technology from Europe, though Japan is catching up fast as a supplier while the American share of the market is falling.

Any Western goods sold to the Soviet bloc could strengthen its fighting power, if only by allowing economic planners to shift factories and raw materials from civil to defense production. "Buttons can hold up a soldier's trousers," Nikita Khrushchev, the Soviet leader, once observed. The United States actually banned button sales to Russia before 1966. Nevertheless, Europeans believe East-West trade promotes peace by increasing prosperity and raising the cost of war. "Do you give the Bear a bigger punch or a bigger paunch if Russians live better?" asks Philip Hanson, a British expert on the Soviet Union. Last week, a consortium of 31 European, Canadian and Japanese banks appeared to underline Western differences toward doing business with the Soviet Union by agreeing to lend it \$250 million. It was the first major Western loan since 1981. American banks did not participate partly because the deal was not profitable enough, partly because of the hostile political climate between Washington and Moscow.

The American attitude has been less consistent than that of the Europeans. Under President Nixon, the Republicans favored trading with the East as a way of promoting détente. President Reagan's disillusionment with détente has produced a more restrictive approach. But even the present Administration dare not halt American grain sales, although food shortages might force the Russians to divert resources from defense to agriculture.

The experts are divided over the real value of Western innovations to the East bloc economies. A new O.E.C.D. study describes the contribution of imported technology to Soviet economic growth as "either small or uncertain." Mr. Hanson estimates that it added only 0.5 percent annually to Soviet industrial output during the 1970's and probably less now with the slowing of imports from the West. The usefulness of Western technology to the Soviet defense effort is also questioned. In a new study, Julian Cooper of Birmingham University in Britain argues that by starving other sectors of the economy the Soviet Union has developed technologically competitive aircraft, rockets and atomic weapons using only small Western inputs. He sees the Reagan Administration's concern over technological leaks as "a comforting answer" to the "unpalatable truth" that centrally planned economies can work efficiently.

The Nation

Affair of the Briefing Papers Flares Anew

After the Justice Department announced earlier this year that eight months of spade work hadn't unearthed any "credible evidence" of crimes committed when the Reagan staff obtained Carter campaign documents, two law professors sued, charging the department hadn't tried hard enough.

Last week, Federal District Judge Harold H. Greene agreed, calling William French Smith's handling of the matter "arbitrary and unlawful" and ordering the Attorney General to forthwith request the appointment of a special prosecutor.

Judge Greene recalled that the Ethics in Government Act, which provides for the naming of an independent investigative counsel when high-level Government officials are alleged to have committed crimes, had been an outgrowth of the Watergate scandal. He said the Carter briefing papers affair — with its accounts of stolen political documents and contradictory statements by senior Administration figures — was strikingly similar to Watergate. "These parallels are not recited to suggest that the court believes that this case is another Watergate," the judge said. "That may not be true at all. But these parallels are relevant in another way — that is, to a determination of what Congress intended when it enacted that Ethics Act."

After the decision, the Justice Department, which had maintained in court papers that it conducted an exhaustive investigation, argued in an appeal filed with the United States Court of Appeals for the District of Columbia that the ethics statute didn't give Federal judges the authority to act on the suspicions of private citizens. "The Ethics Act did not assign that function to the district court," which would have been unconstitutional, said the appeal. Rather, the department argued, the law "unambiguously grants the Attorney General, not the judiciary, the unreviewable authority to seek or not seek appointment of independent counsel."

On Friday, a panel of three appeals-court judges indefinitely delayed Judge Greene's order until the case can be reviewed by all 11 members of the circuit court. Mr. Smith called the delay "a most appropriate action for the court to take."

A Question Of Credulity

As one of Washington's most influential panels, the Senate Foreign Relations Committee hears a lot of things it finds hard to believe. Last week, it came right out and said so.

After three days of hearings on Leslie Lenkowsky's nomination as deputy director of the United States Information Agency, the committee threw up its hands and threw out Mr. Lenkowsky's name. At issue was the nominee's suspected involvement in the promulgation of a blacklist of 85 people who were banned from a Government-sponsored overseas speaking program. Some who voted against him said they were sure Mr. Lenkowsky had lied under oath.

The Republican-controlled committee's 11-to-6 vote not to forward the nomination to the Senate floor was regarded as the firmest rejection yet of a Reagan Administration nominee. Republicans Charles Percy of Illinois, Charles McC. Mathias Jr. of Maryland and Rudy Boschwitz of Minnesota joined the committee's eight Democrats in voting against Mr. Lenkowsky.

The nominee, currently an assistant director of the U.S.I.A., told the committee he did not know the blacklist existed until that fact was publicly reported in January. He also said he ordered it discontinued as soon as he found out about it. Several current and former officials of the agency disputed him on those counts.

In the end, Senator Mathias, who denounced the "intense politicization" of the U.S.I.A. under Mr. Reagan, concluded that Mr. Lenkowsky's testimony had included "cloudy recollections and curious recantation." Edward Zorinsky, Democrat of Nebraska, was more blunt. "In my view," he said, "Mr. Lenkowsky has lied." Mr. Lenkowsky said he stood by his testimony.

The Fourth 'R' Loses Again

Members of Congress who want to readmit religion to the classrooms came close to winning one last week in the House. Legislation that would have allowed high school students to take part in religious activity in their free time was supported by a majority — the vote was 270 to 151 — but fell 11 votes short of the two-thirds margin required for passage.

The measure, known as the Equal Access Act, was supported by many who have opposed a constitutional amendment that would permit authorized school prayer. "This bill just gives students equal access to

their own school facilities," said Representative Carl D. Perkins, Democrat of Kentucky and chairman of the Education and Labor Committee. Representative Don Bonker, Democrat of Washington and the primary sponsor of the bill, argued that his measure would "protect public high school students' free speech rights without violating the separation of church and state." A similar bill has been introduced in the Senate by Mark O. Hatfield, Republican of Oregon.

Opponents said the legislation was unconstitutional and despite its prohibitions on "unlawful activity" could lead to abuses. "If this bill passes, we've added a fourth 'R' to the curriculum of our schools — reading, writing, 'rhythmic and religion,'" said Representative Charles E. Schumer, the Brooklyn Democrat. "Three students in any school district could get together and invite devil worship, the Rev. Sun Myung Moon or any other cult in their school and it couldn't be stopped."

Instant Interest In Continental

Unlike dominoes, big banks tend to support each other when one starts to fall. So it was last week with the Continental Illinois National Bank and Trust Company of Chicago, which stopped saying nothing was wrong and started asking for help.

A group of 16 banks, expanded within days to 28 banks and several Federal agencies, charged to the fore with props in the form of a \$7.5 billion financial aid package, the biggest ever assembled by the Government. At the same time, Continental's chairman, David G. Taylor, said the bank was looking into the possibility of a merger; such a deal would be the largest ever involving an American bank.

The Federal Reserve Board, normally above such frays, announced it was prepared to back Continental to the hilt. It had made such an offer only once before, in the case of the Franklin National Bank, which failed in 1974.

Continental, whose assets of more than \$40 billion make it the nation's eighth largest bank, was regarded as stodgy and profitable until two years ago, when it became apparent that some of its policies were a bit less conservative than its image. When the Penn Square Bank of Oklahoma folded in 1982, Continental was caught holding \$1 billion worth of shaky Penn Square energy loans. The bank also holds about \$1.3 billion in other questionable paper.

Skittish institutional customers, whose multimillion-dollar deposits provide the bulk of Continental's capital and are all but unprotected, have kept a wary eye on the bank ever since. Rumors of Continental's problems began circulating several weeks ago, prompting a run on the bank by large foreign depositors.

Justice in the Nick of Time

There is more than one way to defrock a Klansman, as Morris Dees has shown the Justice Department and the Federal Bureau of Investigation. In a case that would have faded away but for the efforts of Mr. Dees, who is an Alabama attorney, seven Ku Klux Klan leaders and two Klansmen were indicted last week on civil rights charges.

The charges stemmed from a 1979 Klan attack on black protest marchers in Decatur, Ala., and constituted "the largest indictment of Klan leaders ever," said Mr. Dees, chief trial counsel for the Southern Poverty Law Center in Montgomery, Ala. The indictments came less than two weeks before the statute of limitations would have made it impossible to bring most of the charges.

A few months after Federal agents began investigating the attack, in which two marchers, five policemen and two Klansmen were injured, they dropped the inquiry for lack of evidence. Rather than see the case fall by the wayside, Mr. Dees filed a civil suit against Klan members. Threatened with economic loss, some stepped forward with testimony against fellow Klan members. Mr. Dees turned the affidavits over to the Justice Department, which then reopened the case.

Among those charged with violently disrupting the march, organized by the Southern Christian Leadership Conference to protest the arrest of a mentally retarded black man on rape charges, was Roger D. Hanley. Mr. Hanley has been identified in the past as the Grand Wizard, or second in command, of the Invisible Empire, Knights of the Ku Klux Klan. The Justice Department has said that Klan group, with which Mr. Hanley claims to be no longer affiliated, is the country's most violent.

The conspiracy charges against the Klansmen carry a maximum penalty of five years in prison. A tenth Klan member pleaded guilty immediately.

Michael Wright,
Carlyle C. Douglas
and Caroline Rand Herron

By FRANCIS X. CLINES

He May Be Second Fiddle But Bush Is Right in Key

WASHINGTON — The Vice Presidency has come a long way since Garret Augustus Hobart was incumbent and outfitted his office in the Capitol with a velvet "slumber robe" to complement his work load. Some weeks, Vice President George Bush barely seems to have time to refuel, never mind slumber, as he returns from another Presidential mission overseas and flies back out onto the domestic political circuit, where he has raised more than \$35 million for the Republican Party.

Mr. Bush was scheduled to come home today from such a visit, this time a five-nation tour of the Far East. By the four-year clock that still drives his metabolism, the day could be remembered as the fourth anniversary of the last 1980 primary in which he clearly defeated Ronald Reagan, 57 percent to 32 percent in Michigan.

That may seem trivial now, but it wasn't easy for Mr. Bush to concede then that Mr. Reagan was unstoppable. He did so, however. Mr. Bush invited his delegates to turn to his rival and thus spared his party a nasty California primary.

George Bush hasn't looked back since then. His strategy in the matter stands in sharp contrast to the current one of Gary Hart, who has launched a last-mile challenge of Walter F. Mondale this year. "I would have remained an asterisk," Mr. Bush says now. Instead, he enjoys his job and a relationship with Mr. Reagan that has evolved as such a model of personal loyalty that the President chose to scotch all talk of a "dump Bush" movement among conservative party members early last year.

With quiet industry, Mr. Bush has made himself seem indispensable to the President. He is a surrogate for Mr. Reagan on foreign missions such as the trip last year to reassure European allies about the placement of new nuclear missiles. In Pakistan last week, the Vice President commented obliquely on the war between Iran and Iraq. He called Iran "one of the most ex-

treme regimes mankind has seen," and expressed hope that there would be "some coming-to-its-senses" on the part of its Government.

Mr. Bush occasionally handles the White House "crisis management" machinery, perhaps deflecting political criticism and logistical burdens from the President at delicate moments. One such moment came in February, when the withdrawal of the marines from Lebanon had to be hastily arranged.

The Vice President extends a confidential ear



Vice President Bush delivering a letter from President Reagan to President Mohammad Zia ul-Haq in Pakistan last week.

and humble advice to Mr. Reagan, enjoying regular access and a weekly private luncheon discussion with the President. Secrets shared over those meals have not yet been known to be leaked to the press.

In politics, this is grounds for canonization, let alone renomination.

Mr. Bush gives some credit to his predecessor and adversary, Mr. Mondale, for being the first Vice President to stake out prime office space and steady work in the White House. So substantial was this work, Mr. Bush argues these days on the political trail, that Mr. Mondale should now be held accountable for the failures of his boss, President Carter.

Mr. Bush has been accused of lacking the full punch of the political heavyweight. Still, President Reagan's political strategists swear by him as a reliable, rangy middleweight who can sing the opposition. They celebrate the form he showed last month, for example, with a jab of criticism, not a bludgeoning, at the Democratic primary contenders for failing to denounce anti-Semitism quickly enough when it was reported that the Rev. Jesse Jackson had made remarks slurring Jews.

As a campaigner, Mr. Bush has the virtue of being controllable. "You know that you can go to sleep at night in this job and not have to worry that George is going to bite someone somewhere and embarrass the President," one ranking official said.

Amid some serious Administration concern over Mr. Reagan's image among women and blacks, Mr. Bush is being counted on to reassure moderate voters that the President is not indulging prejudice in his policies.

On the traditional scale for measuring a Vice President's value, the deliverance of his regional hometown vote, Mr. Bush is rated highly by Reagan campaign managers. He is from Texas, a major campaign target, yet still has the nasal ring of his New England bloodlines, where the Reagan ticket is expected to need bolstering.

While the President engages in ceremonial trips overseas — recently to China, next month to the beaches at Normandy — Mr. Bush remains busy shadowing the Democratic primary contenders in discreet campaign forays.

The Vice President brandishes relentless optimism to shield Mr. Reagan from critics. Was Lebanon a failure? "We did give peace a chance," Mr. Bush says. Have all chances at negotiating with the Soviet Union been dashed? Mr. Reagan has "the best chance in history to be the arms reduction President," Mr. Bush says.

As a former Congressman and Republican national chairman, Mr. Bush knows the peculiar mix of labor, loyalty and luck that each politician needs to advance his career. The modern path to the Presidency seems to require multiple attempts and the patience of a saint. At a minimum, George Bush may already have earned a Reagan blessing for that future moment when he doubtless will take another chance at winning more than second place in the White House.

"I am Vice President," said John Adams, the job's pioneer incumbent and a seemingly model for the patience of George Bush. "In this I am nothing. But I may be everything."

California May Prove a Tough Audience

Mondale Still Searches for a Backdoor



Walter F. Mondale

By BERNARD WEINRAUB

LOS ANGELES — Speaking to campaign workers in San Francisco last week, Walter F. Mondale noted that usually by the time Presidential candidates arrive in California the race for the nomination is all but over. This year, he cracked, he was striving for a different ending. "That's the reason I went out and deliberately lost New Hampshire and Maine," he said, as the audience laughed. "And when it looked like I had it almost all locked up I forfeited Ohio and Indiana. But I wanted the fight to be decided by California, so here we are."

To Mr. Mondale and his staff — and to most other analysts — it would have been almost unimaginable a few months ago that the year's final primaries on June 5 in states including California and New Jersey would be pivotal contests. But Senator Gary Hart's early victories in New Eng-

land and Florida, his upset win in Ohio, and Tuesday's landslides in Oregon and Nebraska have turned the Democratic contest into a kind of trench warfare.

Mr. Hart declared that the "excitement and momentum" generated last week would lead to an extremely close race this summer. Some Mondale advisers were plainly worried. "Win or lose we haven't done a good job," an aide said. "The common wisdom is that we lost Ohio because Mondale wasn't beating up on Hart, but that's not true. We lost Ohio because Mondale still carries a lot of negative baggage — he has never been able to positively project who he is."

In California, where Mr. Mondale began campaigning in earnest last week, the former Vice President's baggage — his links to organized labor, his campaign's disputed delegate commitments, his service in the Carter Administration — in fact appeared to be posing difficulties. Mr. Mondale's California foray was often marked by

sparse crowds and chaotic scheduling, unusual for his smoothly run campaign organization. At least one event, in the predominately Jewish Fairfax section of Los Angeles, turned into a shambles when members of the Jewish Defense League heckled Mr. Mondale for what they termed his weak response to the earlier "Hymie" remarks of the Rev. Jesse Jackson. Mr. Jackson, for his part, received the joint endorsement of a Jewish organization and an Arab-American group last week as he made his way around California. He sought Hispanic votes by crossing the border into Tijuana, where he denounced immigration legislation now pending in Congress.

Through the long march to the convention, Mr. Mondale has attempted to maintain a self-deprecating sense of humor. "I'm not tired," he remarked recently. "But the Smithsonian called and wanted my eyeballs." But such flashes are rare, and some of his advisers say they wish he would display much more flare.

Robert S. Strauss, a Mondale supporter and a former chairman of the Democratic National Committee, remarked last week that it would be very difficult for Mr. Mondale to win California, in part because his campaign had failed to convey "a very interesting man, interesting to men and to women of all ages." Mr. Strauss described the former Vice President as "a regular fellow" who can enjoy propping his feet up and drinking "a couple of beers."

Style aside, the specific issues that were vital in Mr. Mondale's victories in Illinois, New York and Pennsylvania — for one, his support for the Chrysler bailout as a symbol of his efforts to save jobs for American workers — and that helped give him a 2-to-1 delegate lead may prove to be relatively unimportant in California.

Ranges of Rhetoric

Throughout the campaign, Mr. Mondale's speeches have often ranged between tepid and the unabashed emotionalism of his mentor, Hubert H. Humphrey. In California, as in the South two months ago when he desperately fought for his political survival after the New Hampshire and Maine losses, Mr. Mondale cried out to audiences: "I need your help. Pick someone who cares. Pick someone who hurts when you hurt. Pick someone who bleeds when you bleed. All of my life I have fought for justice in this country. I haven't just voted, I was out there working and fighting hard when I didn't have to do it."

Mr. Mondale hopes to lessen the impact of a possible loss in California with victories in New Mexico, with 23 delegates, and West Virginia, with 35, and New Jersey, with 107 delegates, a major target on the last day of the primary season. Accordingly, Mr. Mondale has dispatched two of his top aides, campaign manager Robert G. Beckel, and Paul Tully, deputy campaign manager, to New Jersey, where the candidate campaigned on Friday. He also made a last-minute decision to spend the Memorial Day weekend there instead of California. (Meantime, Mr. Hart began his New Jersey drive last week, referring to himself as the "underdog." He said he planned another three or four visits to the state before June 5.)

A Mondale loss in New Jersey, with its large labor, ethnic and elderly population, would prove extremely damaging, his aides fear. And even if Mr. Mondale manages to accumulate the 1,967 delegates necessary to win the nomination, losses in New Jersey and California could lead to a brutal convention fight focused on the former Vice President's "electability."

The Chilling Specter at Continental

Even though the historic rescue avoided disaster, the bailout raises many questions.

By ROBERT A. BENNETT

A CHILL ran through the banking world last week. An event that had haunted millions of Americans old enough to know about the bank failures of the Depression years nearly happened in Chicago — a major American bank, the nation's eighth largest, almost failed.

Only the Government's unprece-

dent decision last Thursday to pay out billions of dollars to keep the Continental Illinois National Bank and Trust Company afloat saved the venerable institution. Washington's dramatic action — a guarantee to fully repay all Continental's creditors and depositors — seemed at week's end to have stopped a run on deposits that had sucked billions of dollars from the Midwest's dominant bank.

The fear throughout the financial community, and at the White House itself, was that if the run on Continental were not stopped, and stopped cold, the contagion would have spread to other banks as well, threatening the entire financial system and perhaps plunging the world into another deep economic depression.

Though it will be weeks before Continental's future course is known, one thing is already clear: A line has been crossed in American banking from which there is no retreat. What the

Government did for Continental means that the United States Government is underwriting all depositors and creditors of every major American bank — putting the big banks at a distinct advantage over smaller financial institutions.

A big bank's shareholders might be wiped out. And its managers might lose their jobs while their institution is merged into oblivion. But the depositors and creditors of a major United States bank will be saved from harm. "We will make sure that there are no calamities in the banking system," Treasury Secretary Donald T. Regan said last Friday.

The implications of this message from Chicago are enormous. Above all, the free-market philosophy that bankers and politicians have used to liberate banks from Federal regulations in recent years has been undermined. If anything, the Government's decision to put its full faith and credit

behind Continental — and by implication behind the other biggest banks — appears to carry with it the promise of more regulation, not less.

"The government doesn't give things away for nothing," said a West Coast banker. "This will turn us into utilities."

There was another message as well: The Government will step in with Federal money, backed by the power of the Federal Reserve, rather than allow a big bank to fail it, as many fear, an underdeveloped country someday soon refuses to repay. In Continental's case, loans to Latin nations were a small percentage of the billions of bad loans that got the bank into trouble over the past two years. But Latin debt was part of the problem that almost put Continental under.

Many of the nation's bankers admit that the Continental rescue hurts their campaign for deregulation. But

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they argue that any attempt to stop deregulation would be unjustified punishment. In fact, they claim that Continental's problems were largely a result of over-regulation. Illinois law, they note, allows practically no branch banking, so Continental had only a small retail customer business and was forced to rely on potentially volatile large deposits from other banks and big investors. Small consumer deposits are usually far more stable.

Ironically, the Federal regulators who directed the rescue of Continental included two staunch supporters of deregulation — William M. Isaac, chairman of the Federal Deposit Insurance Corporation, and C. Todd Conover, Comptroller of the Currency. Mr. Isaac in particular has argued that large depositors should be allowed to lose money if their banks fail. He has applied that policy in recent months to some of the two dozen cases in which the F.D.I.C. has directed the merger of a failing small bank into a stronger institution. In those cases, Mr. Isaac has refused fully to reimburse depositors unfortunately enough to have more than \$100,000 in the failing bank.

But in Continental's case, he scrapped the \$100,000 ceiling on F.D.I.C. insurance. Instead, he agreed with the other regulators, including Paul A. Volcker, who as chairman of the Federal Reserve played a major role in the rescue, to fully reimburse all of Continental's depositors. They had a total of \$30 billion at the bank, mostly in large certificates of deposit that weren't fully insured.

Naturally, Mr. Isaac disagreed that the F.D.I.C. had changed its policy. He said that the Continental decision was made "in a specific context and was the correct decision under the circumstances."

"We had a very large, very complex and rapidly moving problem and we had to take steps to get it stabilized," he said. "There were a lot of rumors floating around, a lot of funds leaving the bank. We needed to assess the bank's true condition."

David G. Taylor, Continental's recently named chairman and chief executive officer, said he had hired a big investment banker, Goldman, Sachs & Company, to search for a bank, in this country or abroad, that would buy the Chicago institution. That announcement reflected the fact that the public had lost confidence in Continental, and without that confidence no bank can return to health, no matter how well it manages its affairs. In Continental's case, the Government's announcement of an injection of \$2 billion last week, mostly from the F.D.I.C., increased Continental's stated capital to \$4.3 billion — more than enough, in the view of regulators and bankers, to cover any conceivable loan losses. "But no one can be certain that the depositors will see it that way, and that's why the open-ended guarantee was necessary," a leading banker said.

Undoubtedly, the Continental rescue was the biggest setback in the drive to deregulate, which started during President Carter's tenure and has been pushed by the Reagan Administration. The major banks have won the freedom to charge whatever they want on loans and for their services, and to pay what they choose in interest on deposits. They have gotten into such activities as stock brokerage and financial futures trading, and they are campaigning for the right to enter a wide range of new businesses, from underwriting securities to engaging in all forms of insurance and real estate activities. And they have been lobbying strenuously to be al-

lowed to set up branches across state lines and to form ever bigger units through mergers.

But now, the Continental rescue has played into the hands of opponents of deregulation. They claim the commercial banks want it both ways: government protection without government controls. Even before the rescue package had been put fully into place, Representative Fernand J. St Germain, the Rhode Island Democrat who heads the House Banking Committee, denounced the action to Congress as a "bailout for the powerful."

Mr. St Germain said: "The Comptroller, the loudest and most consistent proponent of marketplace economics for financial institutions, comes forward with a plan for the Government to pick up the pieces now that one of his constituent banks has run aground in the great marketplace. Is this deregulation, Mr. Conover?"

"The truth is," Mr. St Germain continued, "large banking institutions, despite all the talk about free enterprise, marketplaces and deregulation, do not fall under our system of government protection."

The thrift industry, bitter that the Government has allowed hundreds of savings institutions to fold as a result of high interest rates, said the rescue of Continental, a big bank, proved there was discrimination against smaller institutions. Dennis J. Jacob, director of research for the United States League of Savings Institutions, was particularly critical of Mr. Isaac, who has advocated that financial institutions be subject to "market discipline."

By guaranteeing all Continental's depositors and creditors, the F.D.I.C. is "admitting there's no way to apply market discipline to the largest institutions," said Mr. Jacob. "That's a key change in the F.D.I.C.'s policy. It raises serious questions about how far can you deregulate," he added. "It is definitely clear you can apply some of these things to small institutions but they simply do not work with large institutions."

Mr. Jacob charged that the big banks are, in effect, being bailed out of the foreign debt crisis by the Federal Government, which is allowing them to continue to book profits from foreign loans that might never be repaid. And these profits, he said, are being used by the big banks to compete against smaller banks and savings institutions.

In arguing that the Continental rescue is not a bailout, Mr. Isaac maintained that the F.D.I.C. may get back all of the \$1.5 billion of capital that it contributed last week to Continental's capital. If the Federal action restores public confidence in Continental, the injection of that \$1.5 billion of capital by the F.D.I.C., plus an additional \$500 million of capital by a group of commercial banks, was enough in itself to protect depositors, Mr. Isaac said. He noted that Continental had \$2.3 billion of its own capital and that the additional \$2 billion would bring the level to \$4.3 billion.

"At this point, there is no determination that Continental is insolvent," Mr. Isaac declared. In fact, the regulators aren't certain what the bank's true worth is today.

But the problem last week was not one of reality, it was one of perception of reality — in a world that has been fearful of a banking crisis since 1982, when Mexico's debt repayment problems dramatized the possibility that the third world might default on billions in debt to banks like Continental.

INVESTING / Phillip H. Wiggins

Are Small Stocks Ready to Rebound?

Some analysts say yes. After months in the doldrums, these issues should take off once the market turns up.

DURING a stock market decline, investors holding significant positions in small-company shares are often tempted to liquidate those equities. The reason: Companies with lower market capitalization (the market value of a company's shares) almost invariably lose more of their value during bear markets than the issues of larger companies, such as those that make up the Dow Jones industrial average.

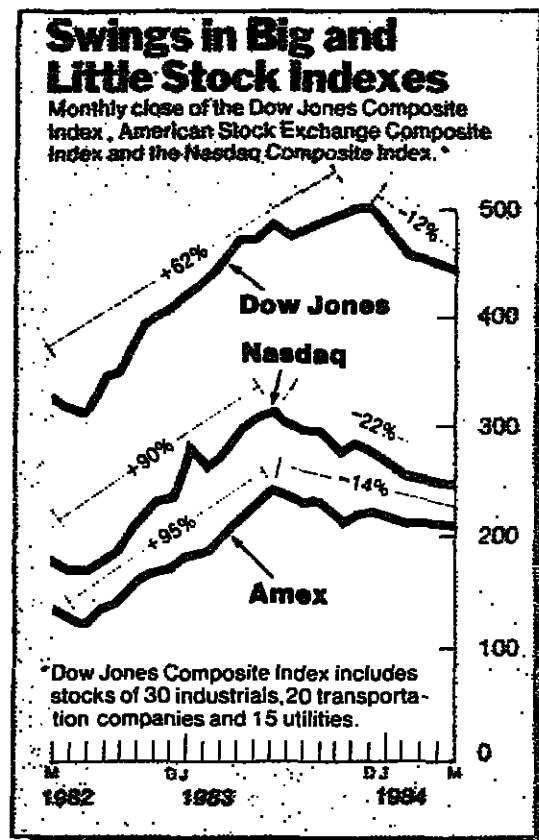
But because the converse is also true — the stocks of smaller companies rise much faster than the shares of big companies during bull markets — analysts continue to follow and recommend many of these issues, especially after they have gone through a time of substantial losses.

Such is the case now. The market peaked several months ago, and while the Dow Jones Composite Index of 30 industrials, 15 utilities and 20 transportation stocks has lost 11 percent of its value, the Nasdaq Composite Index of generally smaller companies traded over-the-counter, is down 22 percent from its high. And any significant upward move in the market now could push these depressed issues way up.

"Many of these less-capitalized equities, particularly the technology stocks, have been hard hit over the last year and it is doubtful that they will go much lower," said Ronald B. Koenig, chairman of Ladenburg Thalmann & Company. "All we need is a small turnaround in the market to make these issues appreciate considerably." Mr. Koenig added that he looks for a major market turnaround after the Republican Convention, so that "right now is a good buying opportunity."

And according to Robert L. Thomas, executive vice president of the Advent Group in Hartford, "If your ambition is to make money, I think it's a good time to buy less-capitalized companies." Mr. Koenig points to several key reasons why O-T-C securities tend to fluctuate so widely. They often have less of a track record, are followed by fewer analysts and generally are less capitalized. In addition, O-T-C investors tend to be more on edge and have a lower threshold of patience with their holdings.

And, according to Robert Grossmann, an analyst at Cantor, Fitzgerald & Company, a regional brokerage firm in Beverly Hills, Calif., the entrance of performance-oriented mutual funds into the thinner-capitalized, growth-stock arena greatly added to the volatility of many of these issues. "These funds are judged on short-term performance, consequently many of them headed for the exits at the same time," he said. "It worked both ways. The funds led stocks way



ahead of their normal value and way behind when they exited."

Mr. Grossmann added that smaller stocks began to really plunge in the late fall of 1983. A poignant example is a stock that he first recommended for purchase, now called BR Communications, a producer of high-technology communications equipment for intelligence and diplomatic applications.

THE company went public at \$21 a share in the spring of last year and rose to \$39 in the summer, and then began to fall sharply during the fall. Even though its good growth rate remains intact, the stock dropped to \$14 about a week ago. Most analysts had forecast a 30 percent growth rate for this company and last summer it was selling around 45 times earnings. Now it is selling at an earnings multiple of 13.

"I like to find companies with high rates of growth, selling at multiples of half their growth rate," Mr. Grossmann said. "I am now recommending Optical Radiation, a manufacturer of intraocular lenses for cataract treatment, and Silicon General, a producer of analog semiconductor devices." Optical Radiation has had a swift growth rate and is entering new ophthalmic areas that should contribute heavily to future earnings, Mr. Grossmann said. And Silicon General's earnings also are expected to more than double in the current fiscal year.

Junior growth stocks have been among the low-capitalized issues particularly hard hit in the latest market slump. These are companies with annual sales of less than \$100 million that have

carved out special niches in their industry by developing a unique technology or performing a special service.

"People who invest in these companies have to have a different perspective than when they are dealing with larger, established companies," says John Westergaard, editor and publisher of Equity Research Associates, a stock market newsletter. "You must think in terms of a three-to-five-year investment, and be prepared to ride out the up-and-down market cycles."

For those holders of small stocks, Mr. Westergaard is continuing to recommend that half of any portfolio consist of technology issues because he thinks this sector has excellent prospects for appreciation. Areas with the best potential, he believes, include genetic engineering, robotics, security protection, instrumentation, telecommunications, medical technology and computers.

In citing some reasons why small stocks are more vulnerable than other equities during a bear market, Mr. Thomas of the Advent Group points to the proliferation of new issues last year and notes that many investing in such stocks today are the same kinds of investors who got burned at the end of the new-issue boom in the 1980's.

"Institutions that buy small companies tend to be aggressive sellers when they notice any weakness whatsoever," Mr. Thomas said. "Another factor is that the market makers in the over-the-counter stocks are under pressure to reduce their inventories because prices are moving in the wrong direction."

Mr. Thomas said another problem, and possibly the biggest one, facing small stocks is that they are generally sold and not bought by salesmen, and those salesmen find it difficult to persuade customers to buy low-capitalized stocks when the overall market is weak. Investors want the security of a big, established company.

Mr. Thomas adds that individuals tend to buy too few stocks when they buy small companies. It is better to buy smaller quantities of several different companies, he maintains, on the theory that even one winner in the group would be enough to offset any losers.

Mr. Thomas said he currently likes Dairy Mart, a company that runs a chain of convenience stores in the New England area; Claire's Stores, a retailer of jewelry; New England Business Service, which manufactures and sells business forms for very small companies via catalogue; and Xidex, a leading factor in the microfilm industry.

Whether they favor specific stocks or particular areas of equities, analysts appear to be in agreement that opportunities lie ahead for those investors in lower-capitalized equities stocks with the patience to wait out the current economic storms.

But not all analysts are optimistic about the stock of small companies. "We have less than 5 percent of our total securities invested in over-the-counter securities," said Harold A. Mackinney Jr., head of the investment policy committee at Fleet Financial Bank in Providence, R.I. "With corporate profits expected to increase 20 percent and the Dow Jones industrial average selling at nine times estimated 1984 earnings, we are optimistic that blue chip stocks will make a really good showing and outperform the O-T-C issues," Mr. Mackinney said.

WEEK IN BUSINESS

Robust Beginning for the 2d Quarter

Explanations that bad weather caused lackluster economic data for March seem to be borne out by much improved reports for April. Housing starts, which plunged in March, gained 19.3 percent in April, and were running at an annual rate of 1.96 million units. Although that pace probably cannot be sustained in the face of rising interest rates, total housing starts are expected to exceed 1.8 million this year. Personal income rose five-tenths of 1 percent, but personal spending jumped, indicating more confidence in the recovery. Industrial production rose 1.4 percent, three times the March rise, and factory utilization jumped to 81.9 percent.

The healthy numbers bolstered predictions that the second quarter will be another sizzler. Gloomy outlooks of a 3 to 4 percent annual-rate increase are being replaced by predictions of a growth rivaling the expansion in the first quarter, which was revised to an robust 8.3 percent. But, as always, caution lurked behind the optimism: a high growth rate in the second quarter is almost sure to indicate expansion that borders on the uncontrolled.

Continental Illinois National Bank and Trust Company fell victim to weeks of rumors that it was about to fail, and now faces a merger or other drastic measures. First, Continental, the nation's eighth-largest bank,

drew on a \$4.5 billion credit line set up by 16 other banks. Then the Government, in the largest such package ever assembled, arranged for a total of \$7.5 billion in credits with the Federal Reserve and 28 banks. And, in another unprecedented move, the Government guaranteed all the deposits in the bank and promised to supply all the cash needed to meet withdrawal demands. The moves are intended to reassure large foreign depositors, who stand to lose the most should the bank fail. But they also indicate the lengths to which the Government will go to stem the biggest banking crisis since the Depression.

Deficit Dealings. The Senate, after five weeks of bickering, passed a Republican package that calls for reducing the projected Federal deficit by \$147 billion through 1987. The House has approved a dissimilar, \$182 billion reduction plan; the differences must be hammered out in conference.

The S.E.C. charged that a former Wall Street Journal reporter gave advance information on articles to four others, who then traded on that information for a \$909,000 profit. The S.E.C. painted a picture of secretive phone calls, a Swiss bank account and a Costa Rican corporation set up to conceal the trading. The case also raises questions of journalistic ethics. The defendants have denied breaking any laws.

Dun & Bradstreet plans a merger with A. C. Nielsen of the television ratings game, for \$1.1 billion in stock. Although rumors suggested Dun & Bradstreet was protecting itself against a takeover, the company said it simply wanted to add Nielsen's marketing information operations to its credit information and business services.

Some Trading Relief. Bond prices recovered a bit in midweek from the frenzied fall of the past few weeks, but the bond market remains in a turmoil. Prices still were not high enough to attract plentiful buyers for Treasury issues, and some traders said they wanted to see a slowdown in the economy before they put their hearts back in the credit markets. A \$4.9 billion rise in the M-1 basic money supply was expected and did not increase concern about the Fed's monetary policy. In the short-term markets, interest rates continued their uptrend, although they fell late in the week in response to drops in the Federal funds rate. Confusion over financial backing for Continental Illinois further muddled the credit waters.

Stocks were shaky as traders watched the bond market and interest rates closely. The Dow Jones industrial average ended the week at 1,133.79, down 23.35 points.

A financial rescue for the Seabrook nuclear plant neared completion. The plan relieves the 18 owner-utilities of the financial burden if Seabrook should default on its debt payments, and gives a guarantee covering much of the project's huge debt by the New Hampshire Electric Cooperative. It would allow completion of at least Unit 1.

Consumers Fower, meanwhile, proposed to abandon one of its Midland nuclear units in return for guarantees that it can finish the other.

Miscellaneous. T. Boone Pickens offered \$370 million to buy back the Mesa Royalty Trust that he created five years ago to avoid taxes and reward stockholders. General Motors is talking about buying H. Ross Perot's Electronic Data Systems. A consortium of 31 Western banks loaned \$250 million to the Soviet Union in the first loan to that country since its 1979 incursion into Afghanistan. American banks did not participate. Raytheon is closing its unprofitable Raytheon Data Systems, at a loss of 1,600 jobs worldwide and \$85 million after taxes. The Federal Home Loan Bank Board subpoenaed the records of First United Fund in an investigation into whether its placing of brokered deposits contributed to the failure or expected failure of 20 banking institutions.

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED MAY 18, 1984 (Consolidated)					Standard & Poor's				
Company	Sales	Last	Net Chng		Company	Sales	Last	Net Chng	
Supr Oil	6,931,200	42	+	3	430 Indust	179.7	176.1	176.7	-2.73
Conti	5,780,800	10%	+	3	20 Transp	134.8	129.1	129.6	-5.20
Ocel Pet	5,113,100	34%	+	2%	40 Util	56.1	64.6	64.8	-1.28
IBM	5,078,100	109%	+	1%	40 Financial	15.6	15.9	16.0	-0.53
AT&T	4,874,900	15%	+	1%	500 Stocks	159.4	155.2	155.7	-2.71
Exxon	4,540,600	42%	+	1%					
All Rich	4,175,500	50%	+	1%					
Revlon	3,530,800	37%	+	1%					
Ford M	3,503,300	34%	+	1%					
Mobil	3,243,500	28%	+	1%					
Disney	3,108,000	63	+	1%					
N Semi	3,092,800	14%	+	1%					
St O Ind	3,017,200	58%	+	2%					
Fin Cp A	3,009,200	16%	+	1%					
Sea Ld	2,997,300	18%	+	1%					

Dow Jones				
Company	Sales	Last	Net Chng	
30 Indust	1180.8	1125.7	1133.7	-23.35
20 Transp	522.9	468.5	474.5	-27.47
15 Util	129.7	126.4	127.3	-1.98
65 Comb	455.3	437.4	441.2	-12.95

The American Stock Exchange				
MOST ACTIVE STOCKS WEEK ENDED MAY 18, 1984 (Consolidated)				
Company	Sales	Last	Net Chng	
NYPaint	1,659,100	15	-	6%
WangB	1,657,800	26	-	1%
TIE	1,470,700	13	-	1%
GalaxyO	1,191,600	2%	+	1%
BAT	1,028,000	3-1/16	-1/16	
ComdC	788,800	1%	-	1%
GDefns	652,400	14%	+	1%
GHCd	638,600	13%	-	1%
DomeP	635,100	2%	-	1%
NY Times	611,100	28%	+	1%

MARKET DIARY				
Advances	Declines	Total Issues	New Highs	New Lows
579	1,415	2,237	47	280
852	800	58	172	

VOLUME (4 P.M. New York Close)				
Company	Last Week	Year To Date		
Total Sales	414,052,380	8,983,187,098		
Same Per. 1983	412,062,060	8,589,965,339		

WEEK'S MARKET AVERAGES				
High	Low	Last	Net Change	
107.1	105.0	105.3	-1.84	
83.2	79.5	79.8	-3.72	
44.7	44.1	44.2	-0.66	
88.5	84.1	84.3	-2.43	
91.0	89.3	89.5	-1.67	

New York Stock Exchange				
Company	Last Week	Year To Date		
Indust	107.1	105.0	105.3	-1.84
Transp	83.2	79.5	79.8	-3.72
Util	44.7	44.1	44.2	-0.66
Finance	88.5	84.1	84.3	-2.43
Compo	91.0	89.3	89.5	-1.67

MARKET DIARY				
Advances	Declines	Total Issues	New Highs	New Lows
524	524	910	17	55

VOLUME (4 P.M. New York Close)				
Company	Last Week	Year To Date		
Total Sales	30,872,080	600,593,750		
Same Per. 1983	31,555,095	576,650,069		

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE DRYFOOS, Publisher 1961-1963

ARTHUR OCHS SULZBERGER, Publisher
A. M. ROSENTHAL, Executive Editor
SEYMOUR TOWSE, Managing Editor
ARTHUR GELB, Deputy Managing Editor
JAMES L. GREENFIELD, Assistant Managing Editor
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J. A. RIGGS JR., Sr. V.P., Operations
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RUSSELL T. LEWIS, V.P., Circulation
JOHN M. O'BRIEN, V.P., Controller
ELISE J. ROSS, V.P., Systems

Meanwhile, Back in the G.O.P.

Delegates, delegates: That's all the Democratic candidates can talk about. Unfairly denied delegates, tainted delegates, super delegates. The emphasis is understandable; there's a contest for the Democratic nomination whereas a Republican President is unopposed. What's not understandable is the lack of interest in the way the Republicans choose their delegates.

Put the Grand Old Party under the same kind of scrutiny and the Democratic procedure looks marvelously democratic. The Republican system, which originated 60 years ago in a Nordic, nativist climate, is deeply infected by unfairness.

The Rev. Jesse Jackson complains that he's winning 17 percent of the Democratic vote but under rules that award him only 9 percent of the delegates. Those rules were not designed to discriminate but to lessen the chances of a deadlocked convention. Still, there's much to be said for Mr. Jackson's argument that he has brought out masses of people unaccustomed to voting and that it's poor politics, and poor policy, to turn them off by undervaluing their vote.

Senator Gary Hart also complains, about "tainted" delegates won by Walter Mondale with funds Mr. Mondale now deems wrongly raised. But there's a big difference between these storms and the defect in the Republican process: It discriminates against large states and large ethnic groups.

The unfairness lies in the uniform bonus rule, awarding extra delegates to states that voted Republican in the last Presidential election. It was

created in 1924, a time of fear of the immigrants from southern Europe, a time in which Calvin Coolidge could say, "Biological laws show . . . that Nordics deteriorate when mixed with other races."

To see how the bonus rule penalizes the large melting-pot states, consider New York. It will send 136 delegates to the 1984 convention — one for every 129,000 people. Delaware, by comparison, has 19 delegates — one for every 31,000 people.

Some say in the rule's defense that it parallels the pattern of two senators from every state. But where in Republican councils is the equivalent of the popularly elected House? Another defense is that the bonus accounts for only about 12 percent of the convention delegates. But it's conceivable that without bonus delegates, Richard Nixon might not have won on the first ballot in 1968.

Republicans occasionally face the issue, gingerly. Under threat of a lawsuit in 1972, they made some changes. Under pressure from moderates like Josiah Lee Auspitz and the Ripon Society in 1980, the rules committee promised a year's study. Neither promise nor study have been heard from again.

The Republican problem is not elitism. The present system produces results the party likes, as exemplified by the words "President" and "Reagan." And regardless of what was in people's minds in 1924, the system persists not because of bigotry. The villain, as Mr. Auspitz says, is inertia.

But it remains a villain. The Democrats were shaken out of their inertia, starting in 1964, by the civil rights movement and Vietnam. What will shake the Republicans out of theirs?

Interventionism, Without Humbug

Few words in diplomacy are so imprecise and negative as "interventionism." No nation admits either the urge or the deed. Your country may intervene, *own* only, *protect* vital interests, common values, or whatever. So when Mexico's President Miguel de la Madrid cautioned President Reagan against "interventionist solutions" in Central America last week, he was offering only laudable sentiment for obscure meaning.

Take the vexed matter of El Salvador. In blurted out a classified secret, Senator Helms confirmed what many suspected — that José Napoleón Duarte, a Christian Democrat, owes his election as president to considerable American financial and logistical help. Interventionism? Yes. Shameful? Not in the circumstances.

The conflict in El Salvador is triangular. Marxist guerrillas get sustenance from Cuba and Nicaragua, though its magnitude may not be crucial. The right-wing Arena party led by Roberto d'Aubuisson has been generously bankrolled by wealthy Salvadoran exiles in Florida. In the middle stand the reformist democrats led by Mr. Duarte. To deny them aid would be a nonintervention that only rewards interventionists.

No one has described the underlying dilemma better than John Stuart Mill. To be morally legitimate, he wrote, nonintervention needs to be respected by all: "The despot must consent to be bound by it as well as free states. Unless they do, the profession comes to this miserable issue — that the

wrong side may help the wrong, but the right must not help the right." But as Mill also saw, even justifiable interventionism is not always prudent.

Intervening for unattainable goals is even more imprudent than normal wishful diplomacy. Nor can intervention help foreign partners when it is so blatant as to discredit them in nationalist eyes. And for any treaty-bound nation, military intervention surely ought to be a weapon of last resort.

Mexico, quite plainly, is not now questioning the use of trade or aid to sway other countries; it has helped Nicaragua with low-cost oil. If President de la Madrid had truly spoken his mind, he would have questioned America's reliance on force for purposes that are either undefined or unattainable.

Clearly put, that objection would have been a welcome intervention in America's debate. For the Administration is deeply committed to a misconceived and clumsy action against Nicaragua. If meant to depose the Sandinistas, the venture is dubious, inadequate and probably counterproductive. If meant to soften them up for a bargain, what plausible terms are being offered? If meant to defend Mexico and other Central Americans, why do so many of them fail to welcome it?

Perhaps Mr. de la Madrid made his meaning clear to Mr. Reagan in private. If Nicaragua can be shown to be intervening militarily against El Salvador, Mexico could be an invaluable partner in an open and collective program of sanctions. That, too, would be intervention, but without humbug.

Under the Clock

This week a friend of ours walked over to the new Bank of America Plaza, on Madison at 43d, for a look at the old Biltmore clock and, in a sense, her past. Once she was one of the young women in camel-hair coats who stood in the Palm Court, under that clock, waiting for their rep-tied dates and feeling more worldly than they'd ever felt before, or ever would again.

In its new setting, the clock was hard to find — it was never meant, after all, to tell time in a 28-story atrium — and it evoked no images of its old location. What it did summon up, however, was the summer that young woman finished college and came to live in New York.

The first thing she did was to learn the subway system. It wasn't just quicker than a bus and cheaper than a cab. It was, she'd read, the way all real New Yorkers got around. She went everywhere by subway, and did so for years, and while she com-

plained about its heat and the way the old straw seats snagged her stockings, she was never frightened or harmed.

She remembered her first apartment, too. It was dark and a bit damp and, even then, very small for her and a roommate. But the location was good, — unfashionable, certainly, but safe. If she felt like ice cream at midnight, she had no qualms about going out to get it.

Neither did she have any qualms on the evening she and the roommate lost each other in an after-theater crowd. The roommate was carrying their money. No problem, she said to herself, I'll just walk home. She walked 50 blocks, and indeed there was no problem.

Leaving the clock, our friend thought that she didn't miss the Palm Court. It was destroyed long before the wreckers got to it. Nor did she miss her youth. But how she misses that New York.

Topics

Doings in Black and White

Phys-Ed for Pandas

Ling-Ling and Hsing-Hsing, the National Zoo's giant pandas, have led uncommonly stressful lives. Ling-Ling's relationships with other males have been singularly unfortunate; Hsing-Hsing's virility has been questioned more than once. Few film stars have known greater photo coverage, and none of them any so intrusive.

Last week, however, when the curtain was raised on their new exercise equipment, Ling-Ling and Hsing-Hsing looked like a couple whose troubles were all in the past.

Hsing-Hsing somersaulted through a rubber tire, then — while still up-

side down — chewed on the rim. Ling-Ling showed no interest in her more elaborate setup, which includes an obstacle course, opting instead for lunch.

There is speculation that Ling-Ling is eating for two, but since she is seldom photographed without a mouthful of foliage, it is only speculation. Meanwhile, we look forward to the day she first tries a balance beam, and a thousand shutters click.

Different Stripe

The words "It's a boy" and "It's a girl" have resounded through delivery rooms (or the equivalent

thereof) for centuries. Last week was probably the first time, however, that anybody exclaimed, "It's got stripes."

That's what the attending veterinarian shouted when a Kentucky quarter horse gave birth to a 70-pound zebra whose embryo had been implanted last May.

Since the procedure may make it possible to increase the population of several endangered equine species, it's no wonder the vet was excited.

Was the mare? Did she notice that this was not a foal like other foals? Did she wonder why none of her stablemates had ever produced striped progeny? And if so, does she feel sorry for them?

Letters

Social Security as We Know It Needs Phasing Out

To the Editor:

What The Times calls the "political genius" of the Social Security system ("Why Stigmatize Social Security?" editorial May 8) is in fact its Achilles' heel.

Is it genius to multiply the number of program beneficiaries to so great an extent that the program becomes politically sacrosanct, incapable of intelligent management by Congress and the President? Is it genius to fragment society into two generational factions, one that pays in and one that receives? Is it genius to provide governmental paternalism to those who are eminently able to provide for themselves in their old age?

I say this is not genius but folly. The Social Security program, as you note, is an income transfer (i.e., redistribution) program. That sounds like welfare, and it is. Its purpose was to provide income security for those too shortsighted or too poor to provide for their own retirement. Its method has been to provide for all, avoiding the political dilemma of "stigmatizing" the shortsighted.

Ought they be stigmatized? I say yes. The Government ought not be neutral about shortsightedness.

Workers now early in their careers will have accrued sufficient funds to support themselves without any subsidy from the work force in place at the time of their retirement. Workers with incomes too low to support them in retirement will rely on welfare, our social program designed to aid the poor.

Workers now midway in their ca-

The question is how to reform the program. To date, those nearing retirement will recover their "investment" in a very short time after retirement. For the balance of their lives, they will receive benefits at the expense of currently employed workers.

For the worker early in his career, the prospects are less sanguine. We will have paid in at a much higher rate over the course of our careers, and we will recover our investment much less quickly, perhaps never.

Unfair? Yes. But these are the rules today.

My suggestion for reform is this: Convert the program to an actuarial basis today. Set Social Security taxes at a level sufficient to give a basic retirement income to the worker contributing over his entire career.

Workers now early in their careers will have accrued sufficient funds to support themselves without any subsidy from the work force in place at the time of their retirement. Workers with incomes too low to support them in retirement will rely on welfare, our social program designed to aid the poor.

Workers now midway in their ca-

reers or near career's end will not have set aside sufficient funds to support their retirement from an actuarial account. Benefits to these workers ought not be cut. They have followed the rules; they have planned their retirement incomes based on an expected income from Social Security; they ought not be penalized for having done so.

Under this proposal, funds flowing into the Social Security trust funds would cease. New individual accounts would replace them. Who would support the payments to the mid-career and near-retirement individuals? These are called "unfunded liabilities" in budget parlance. They ought to be paid by the general fund.

The cost of this proposal would be high in the next few years. As unfunded liabilities are satisfied, the cost would decline. The advantage would be a Government retirement program that would not impose an enormous burden on future generations of workers.

Social Security taxes would drop immediately from their currently untenable level of 12.8 percent (employee and employer contribution). The tax increases needed to finance unfunded liabilities would offset or exceed these decreases, but these taxes would decline over time as the unfunded liabilities are satisfied.

The Government has made a commitment to the current work force: Social Security will be available to support them in their retirement. While one may argue over whether payment levels are too high or too low, there is no arguing with the fact of the commitment. The Government cannot abrogate this commitment.

It can, however, stop renewing this commitment to the current generation of workers, workers with sufficient years remaining in their careers to plan for retirement income. This it must do, for the forecasts of retiree-to-worker ratios in the 2020's and beyond are mind-boggling.

If these forecasts are correct (there is no way to know this now), the burden on that generation of workers would be extraordinary. The consequences would be some abrogation of the Government's commitment to today's generation of workers, and political turmoil would follow.

JONATHAN L. GIFFORD
Pittsburgh, May 10, 1984

The writer is visiting assistant professor of public management and policy at Carnegie-Mellon University.

Don't Shoot the Mint Julep's Bourbon

To the Editor:

The seal of the Commonwealth of Kentucky shows two men shaking hands and bears the motto "United we stand, divided we fall." A local joke holds that, if the men weren't shaking hands, they'd probably be shooting each other.

In the same way, an authentic mint julep depends on a partnership between bourbon and sugar. If one were to make a julep from the recipe published in your recent Derby Day issue (May 5), the result would be that the sugar had shot the bourbon dead.

In the hope of saving as much good Kentucky bourbon as possible from this fate, I am sending you the recipe I learned from my father, as he from his, in our old Kentucky home:

• Chill silver mint julep cups for several hours.

• Boil up a syrup of sugar and water, fairly sweet, then let it cool.

• When you're ready to make your juleps, put two tablespoons of syrup at the bottom of each cup, add eight or 10 crushed mint leaves, leave them there and fill the cup with crushed ice.



• Add four ounces of 100-proof bourbon and stick in a sprig of mint, a good tall one to dust the tip of the nose, since it is the smell of the mint as much as anything that gives this drink its distinctive appeal.

JOSEPH MATHEWSON
New York, May 6, 1984

The Flame From Greece That Refreshes

To the Editor:

"Moscow Settles a Score," your May 9 editorial proposing that Greece become the permanent home of the Olympic Games, struck me as practical, just and eminently reasonable.

Some days later, though, while mulling with the same old lunchtime crowd, I watched as the Olympic flame was relayed from runner to runner.

I will never forget the joy that swept that crowd as the torch passed. The light of Homer and Sappho, Pericles, Plato and Aristotle had reached our shores and was going to remain for a while.

I don't think I was the only one who returned to work that day feeling deeply refreshed and renewed — and a little doubtful about the wisdom of your editorial.

RICHARD M. CAPOBIANCO
Brookline, Mass., May 10, 1984

To the Editor:

The Soviet-bloc boycott is the best thing that could have happened to the Olympic Games: It removes the largest corps of athletes whose professionalism has steadily debased the Olympic spirit.

If our luck continues, the Soviet

Union will hold its own games, and then American television — whose crass commercialization of the Games makes it the second most harmful influence on amateurism — will find it more profitable to cover them rather than the real Olympics.

Only then will the Olympic Games once again be run for the benefit of the participants rather than for politicians and businessmen.

THOMAS MARTIN HOLZEL
Concord, Mass., May 14, 1984

David Niven's Most Devastating Burden

To the Editor:

I read with interest your news article regarding Senator Javits and the speech he made to a group of doctors at New York Hospital ["Doctors Hear Javits in a Salute to Life," May 11].

You noted that Senator Javits spoke about his views as they differ from those of my late father, David Niven, regarding their attitudes toward amyotrophic lateral sclerosis, or A.L.S. And you stated that my father lost his ability to walk and had difficulty eating because the disease affected the nerves controlling his swallowing muscles.

Non-American Victims

To the Editor:

Nowhere in the comments regarding the recent settlement of the Agent Orange suit brought by Vietnam veterans have I seen or heard any mention of the effect the defoliant has had on the Vietnamese. Our cavalier use of this carcinogenic substance constitutes a heinous crime against a people, and its effects will be felt by untold generations. Was not this action on our part as morally abhorrent as germ warfare?

SYLVIA DIAMOND
New York, May 14, 1984

From Business Leaders, Suspect Support for a Deficit Strategy

To the Editor:

With others, I am impressed by the initiative that has led the past Secretaries of the Treasury and Commerce to urge steps to close the budget deficit; and I am impressed by the number of business leaders who joined in this effort, as indicated by the appeal published as a double-page advertisement in The Times of May 4.

This issue, as the statement avows, is indeed too serious to be left to politics as usual. But, alas, as I had occasion to make known to leaders of this effort when approached on the matter, it is also too important to be left to establishment myopia and executive self-concern, these also as usual.

This shortsightedness, or worse, emerges on the matter of taxation. Rightly it is held that effective action on the deficit will require tax increases. And there is merit in the contention that in a country of high well-being there is a place for consumption taxes.

The old liberal case against these taxes diminishes when, for a largely affluent population, the tax curtails consumption of no great urgency and provides income for welfare, educational and other services of high importance to the poor. Properly levied

with proper use of the resulting revenues, these taxes can be progressive in effect.

What is unforgivable in the published statement is the transparent avoidance of any suggestion that personal or corporate income taxes might be increased, this in the aftermath of the Reagan reductions with their high absolute reward in the top tax brackets — brackets where, one hopes only incidentally, many of the signers of this statement are happily situated. It was, all the signatories know, the ill-considered reductions in personal and corporate income taxes that, along with the increases in the military budget, led to the deficit.

The statement attempts to give gloss to embarrassingly suspect self-interest by reference to the need "to avoid weakening incentives to work, save and invest."


Are the corporation executives who

signed this statement thus confessing that they were idling away their time before the Reagan tax reduction, that they needed its stimulus to get them back to work? Do they really believe tax reductions for individuals have much to do with the willingness of corporations to invest, a point to which attention was drawn many years ago by Keynes?

And most of all, can it really be supposed that Americans are politically so retarded, they do not know that the word incentive as here employed is, in normal use, an exceptionally unpersuasive cover for justifying more income for oneself?

To repeat, the plea against politics as usual is indeed appropriate. But equally appropriate and far more necessary is a plea against what can only appear, justly or unjustly, as strong protection of pecuniary interest.

JOHN KENNETH GALBRAITH
Cambridge, Mass., May 9, 1984



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FOREIGN AFFAIRS

Moscow
Is
Overheated

By Flora Lewis

WASHINGTON, May 19 — The Russians have delivered their message. It's loud and clear. They are very angry with the Administration, not necessarily just with President Reagan, and they won't talk to the U.S. Government until it "does" something to prove good will.

The required deeds are not clearly defined, but Moscow keeps saying words won't be enough. Meanwhile, it is firing a barrage of invective that comes near matching the vivid cold-war imagery that was used as when Americans were routinely called "running dogs of Wall Street" and "hyenas of capitalism."

This time capitalists aren't the target. The one set of Americans definitely not on the receiving end of the campaign are businessmen, with whom the Russians remain eager to talk about trade. It is policy makers, and U.S. policy in general, that the Kremlin is denouncing with a stridency that it must realize is provocative.

"Since the time of Hitler's Reich," Tass said, "no government has interfered so persistently, so openly and brazenly in the internal affairs of sovereign states as has the Reagan Administration, utilizing all means at its disposal, including military force, to press for overthrow of lawful governments."

This comes from the gentlemen who were America's allies in the closing years of Hitler's Reich, and who have since given us invasions of Hungary, Czechoslovakia and Afghanistan and forced a self-invasion of Poland, not to speak of other interventions. Their doctrine proclaims the inevitable triumph of communism and the overthrow of all non-Communist governments, lawful or not.

Obviously, they are going much too far if their aim is really to tell the U.S. they want more normal relations in a world that has to make room for two superpowers. Granted, Mr. Reagan's rhetoric has been offensive, incontinent, undiplomatic. The Russians do not have a global monopoly on nasty slurs.

But they must surely know their petulance won't force a withdrawal of American missiles from Europe, or one-sided disarmament, or even an apology. Why are they persisting with such virulence after having made their point? Why are they depriving themselves of the pleasure and pride they take from Olympic gold medals, and obliging their dependent states to do the same for all the world to see how sovereign is a Soviet ally — for the meager satisfaction of poking a finger in America's eye? The point they keep trying to make is, in effect: "You can't talk to the Soviet Union this way, you can't treat the Soviet Union this way and expect to get away with it."

Three major themes recur. One is the normal psychological response to humiliating taunts: raising the level of insult. One is a grievance, a charge that U.S. arms programs are seeking to make Soviet military investments "obsolete" and a complaint that trade curbs amount to economic warfare. And one seems to be a fear that America's goal is not just to compete with the Soviet system but to destroy it, and remodel the world by America's lights to American advantage.

It is very hard to tell how much of this is propaganda and how much reflects a real sense of vulnerability. It seems ludicrous to hear a senior Soviet official who is supposed to know a lot about the U.S. say America has a "master plan" to overwhelm the Soviet Union. When I heard that, I had trouble not laughing at this echo of our cry that "the Russians are coming."

But it wasn't meant as a joke. If logic is any guide, all this shows deep uncertainty and bewilderment in the Kremlin. A group of old men have found themselves in a bad spot and don't know what to do.

Their diplomacy, focused for several years on preventing installation of medium-range American missiles in Europe, has failed. Their economy is in a mess. And while the capitalist world is experiencing the pangs of "inner contradictions" that the Russians' Marxist faith assures them will destroy us, their centrally planned system hasn't been a protection from world recession. Their dependent states are restive, and there are threatening conflicts in the world beyond their power to control.

Within their own ruling apparatus, great hopes had been building for years that a time of reform was coming, a time of renewal, adjustment, a new spurt of growth after a generation of congealed society. Now, after two successions, those hopes have been deferred again. No internal movement is in sight. The transition to a new era has yet to begin.

The impression given is of an authoritarian regime adrift without its accustomed authority, without a clear idea of which direction to take, without a sense of conviction about how to seek safety. In the circumstances, Moscow's reflex is to dig in and make fierce noises in hopes of scaring away what dangers may lurk.

The problem for the rest of the world is that these uneasy men wield a vast power of destruction. Their uncertainty, and their fears, real or imagined, could drive them to reactions that threaten everyone. It is a time for calm, steady nerves and sober sense from the rest of us. If Moscow is having apoplexy, it is all the more urgent to be sensible and prudent, and not to respond in kind.

LOS ANGELES — America is suffering from an unhealthy emphasis on success as measured by The Numbers. The tendency to boil the world down into analytic abstractions distorts and oversimplifies the richness of life. It insists upon evaluating the world through ratings and lists, matrices and polls, the bottom line, winners and losers.

Success is not a destination. It is a journey. Robert Louis Stevenson once said, "To travel hopefully is a better thing than to arrive." There is only one arrival in life — and that is at the end of life. All the achievements, the moments of success, are merely milestones along the way.

Television is perhaps the most dramatic example of the failure to continue traveling hopefully. The name of the game for the networks is: "How do I win Tuesday night at 8 o'clock?" When the only criterion for airing the show is how it may rate against the competition in the short term, it isn't good for network business in the long term. And so, despite the threat of audience erosion from the new technologies, we see the networks scrambling — not to innovate, but to imitate, because innovation requires risk-taking, and risk-taking is antithetical to winning in the short term. With painful predictability, the networks putter with the same tired formats, adding more sex here and more violence there — more mindlessness — in an effort to grab the viewers' attention quickly.

If the heads of the three networks were standing in a circle with razors to each others' throats, they could not be committing suicide more deliberately. Just as, it seems clear now, the Big Three were doing all those years

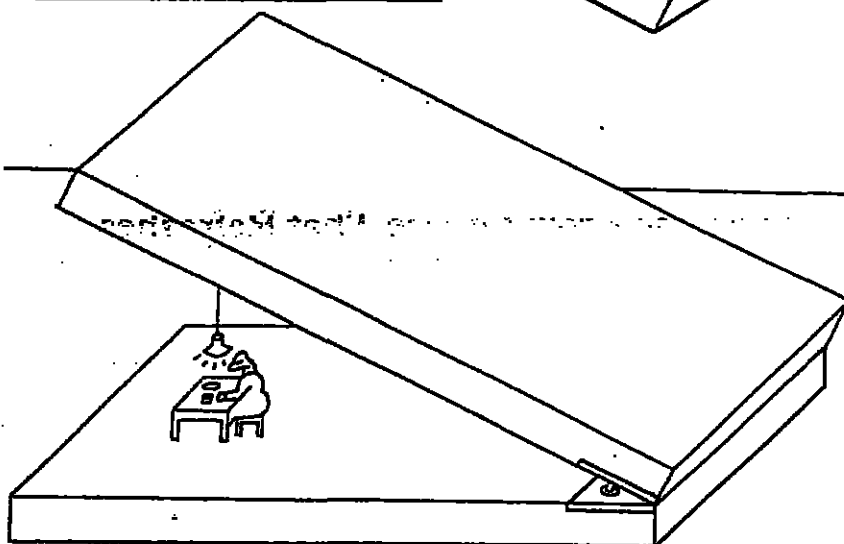
ago in Detroit, when they refused to innovate, to build small, fuel-efficient cars; refused to sacrifice a current quarterly profit statement to invest in the future, and meet the threat of the imports from abroad. Or the steel companies, when they wouldn't modernize. Or the labor unions in both industries, when they fought only for added wages and benefits — instead of fighting to protect their members' jobs in the long term.

There are no villains in all of this. It is a matter of climate. The average network programming executive is trapped. Imagine yourself in this job: You wake up and read that your network didn't have one show in the Top

Norman Lear writes and produces television programs. This is adapted from a recent address to the Securities Industry Association, at Hilton Head Island, S.C.

Pyrrhic
Victory
Over Moon

By John McClaughry



CONCORD, Vt. — The Supreme Court, urged on by the Justice Department, has decided not to review the conviction of the Rev. Sun Myung Moon for Federal income tax fraud. But President Reagan may have won a Pyrrhic victory by insulting a politically and racially diverse coalition of organizations that filed friend-of-the-court briefs in Mr. Moon's behalf.

The case began in 1976, when Senator Bob Dole wrote the Internal Revenue Service to urge an audit of Mr. Moon's Unification Church. The tone of his letter made it clear that the I.R.S. was expected to take action against the Unification Church upon whatever pretext it could manage, or face the wrath of the strategically placed Kansas Republican.

The ensuing audit led to a lengthy criminal prosecution. The Government charged that interest accruing on funds received by Mr. Moon from his church members was not held in

John McClaughry served as senior policy adviser in the first year of the Reagan White House.

WASHINGTON — The House of Representatives has now accepted a last-gasp compromise to save production funding for the controversial and costly MX missile. The compromise calls for reducing the number of missiles to be procured in fiscal 1985 from 30 to 15, and for fencing off the actual funds for six months as an inducement to the Soviet Union to return to the strategic arms talks in Geneva.

One certainly has to attribute the MX's new lease on life to more than the bargaining-chip argument, which is questionable at best. Indeed, a General Accounting Office report the week before raised doubts about the MX's ability to perform its mission, making it as effective as bluffing with a pair of deuces and the other guy's knowing it.

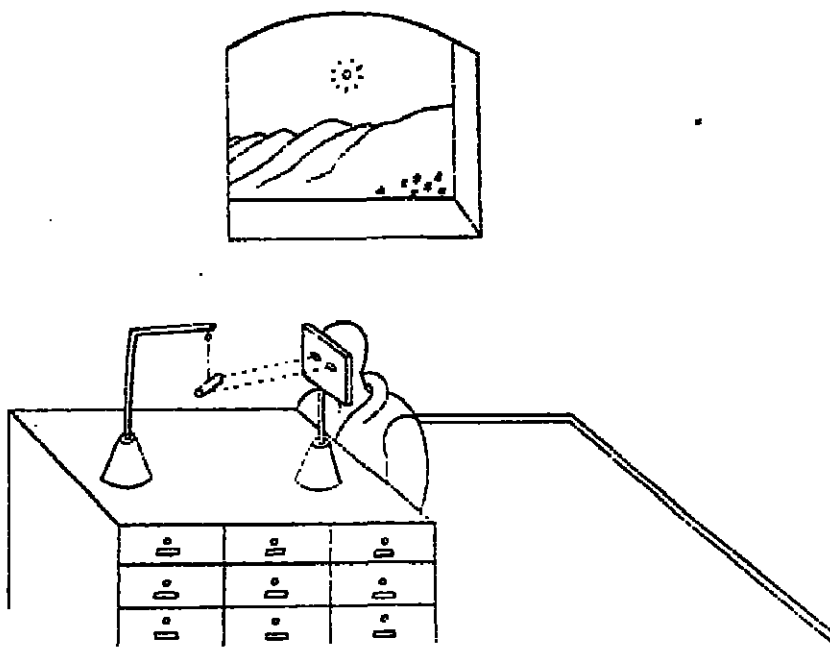
This could not have been lost on many MX proponents on the House floor on Wednesday. Nor could they have been insensitive to the program's \$20 billion price tag. Yet 218 voted against my amendment to delete all production funding. Why? One reason, I think, is that they were worried that losing the MX would cost their constituents jobs.

Nagging concerns about jobs back home and their effect on the budget

Nicholas Mavroules, Democrat of Massachusetts, is a member of the House Armed Services Committee.

Bottom Linemanship

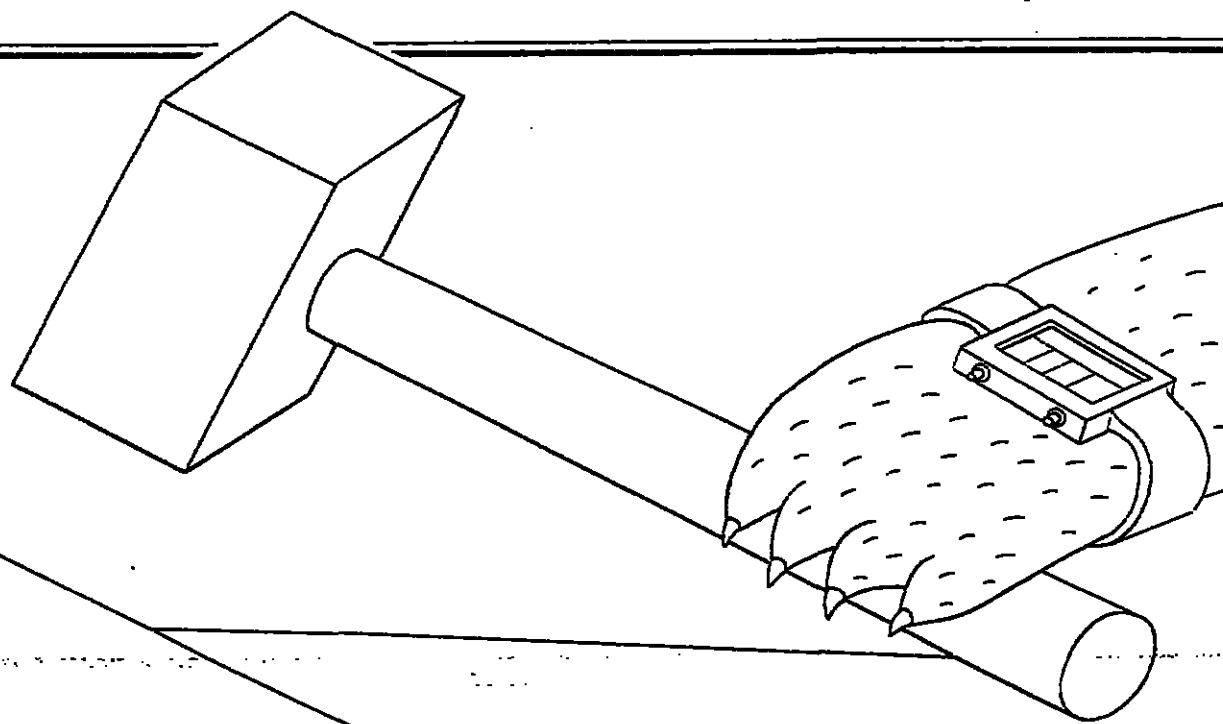
By Norman Lear



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There are no villains in all of this. It is a matter of climate. The average network programming executive is trapped. Imagine yourself in this job: You wake up and read that your network didn't have one show in the Top

10. Your palms sweat. On your way into the office, you pick up The Wall Street Journal, which now prints an analysis of projected earnings based on ratings. Your network's projected earnings are down. You walk into the office and a warm Xerox copy of last night's overnight ratings is on your desk. You didn't win a single time slot. Now your first appointment of the day is with tomorrow's Rod Serling or Paddy Chayefsky, who has a fresh, innovative idea. You are in no condition to hear a new idea. What you must have, and quickly, is a new version of something that is working on one of the other networks. You are a victim — trapped.



funds, bringing the I.R.S. into intimate entanglement with church finances in a way never before asserted by the Government.

This last insistence in particular alarmed the religious denominations that urged the Court to hear Mr. Moon's appeal. These included, among others, the National Association of Evangelicals, the National Council of Churches, the Mormons and the Episcopal Church. Friends-of-the-court briefs were also filed by the American Civil Liberties Union, National Conference of Black Mayors, Senator Orrin G. Hatch and former Senator Eugene McCarthy.

Black church leaders, backed by black mayors and lawyers, were nervous about the Government's position. Black churches have historically sprung up in ghetto storefronts and rural farmhouses, wherever an inspiring pastor could assemble a flock. Donations are commonly made to the pastor, just as donations to the Roman Catholic Church are received by the local bishop acting as "corporation sole."

Black churchmen feared that if the Government's position in the Moon case were upheld, an Administration not distinguished for its appreciation of civil and religious rights would aggressively intrude into church affairs.

It was perhaps understandable for the Justice Department to oppose Supreme Court review, given the interest of departmental attorneys in savoring a victory after seven years

of prosecution. An adverse ruling would also deprive the Government of the use of legal theories that offer tempting opportunities for interference in church affairs under the banner of criminal tax prosecution. But in a footnote in its brief, the department virtually slapped the friends-of-the-court in the face when it intoned: "Contrary to the fears expressed by the numerous religious individuals and groups appearing as amici curiae (none of whom manifests an awareness of the evidence that supported conviction of petitioners), informal financial arrangements maintained by churches in good faith are not in jeopardy." In other words, if you're worried, you're stupid; if you fly right, we won't give you any trouble.

So in the midst of a re-election campaign, the Administration throws a glove in the face of an incredibly broad coalition of religious organizations while urging the Supreme Court to deny review to a defendant who, by almost any standard of justice and fair play, is being railroaded for his unorthodox religious beliefs. As if this were not stupid enough, consider this final irony: Mr. Moon, having learned about Communism in a North Korean prison cell, is an ardent anti-Communist and supporter of Ronald Reagan. Few administrations in modern times have succeeded in contriving novel and dubious legal theories to hustle their friends off to jail while outraging friends and opponents alike. Nice piece of work.

TV must, of course, pay attention to business and prosper economically. But when it overlooks the human essence, that spirit that defies the marketplace and its economic calculus of motives, it does so at its own peril. In 1971, if CBS hadn't taken a leap of faith with "All in the Family" instead of pre-screening it through a mesh of "hard" numerical criteria — if it had not ordered enough episodes to allow our fledgling product to catch hold in the marketplace — we would have been dead in the water. As would "M*A*S*H," "The Dick Van Dyke Show" and "Mary Tyler Moore."

Vince Lombardi said: "Winning isn't everything, it's the only thing." As a culture, we seem to have embraced this Lombardi-ism. Win at all costs — and quickly. The biggest reason for the decline of public morality and personal values, not to mention our decline in technological superiority, just may be American leadership's obsession with short-term thinking.

When we speak of modern permissiveness — of the "me generation"; of impulsive marriages and facile divorces; of high school graduates unable to read and write; of a hundred social ills — we are talking about a trickle-down value system that has come to consume everyone. It breeds in an atmosphere in which leadership glorifies the quick fix and refuses through cowardice or myopia to make provisions for the future.

We have been raising generations of children to think that there is nothing between winning and losing. The notion that life has everything to do with succeeding at the level of doing one's best is lost to these kids. If we really believe that we are on this planet for the long term, we will encourage our youth to understand that not everyone catches the brass ring on the carousel of life. The rest of us better enjoy the ride for its own sake, or life has no meaning at all.

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WASHINGTON

How
Reagan
Survives

By James Reston

WASHINGTON, May 19 — There seems to be no end to the criticism leveled against President Reagan these days, but little evidence so far that it is reducing his chances of reelection.

How can this be? Many explanations have been offered, the main one being that he is a nice guy and has been lucky in his opponents.

In general, if you listen to the pollsters, the American people distrust the Russians, which is putting it mildly; don't think much of Mondale, Hart or Jackson, Mr. Reagan's squabbling Democratic opponents, and don't like the press, a nosy and noisy bunch who keep saying that the President's ability is not up to his popularity.

But leaving the excessive criticisms of the Russians and the Democrats aside, there's another view, by our neighbors and allies, that is worth considering.

The Prime Minister of Canada has been going around the world lately suggesting that the conflict between Washington and Moscow is getting out of hand. Our other neighbor, President Miguel de la Madrid of Mexico, was in here the other day saying, with the utmost courtesy but with candor, that President Reagan's militaristic policy in Central America was a mistake and a potential disaster.

"We are convinced," the Mexican President said in his address to a joint meeting of the Congress, "that the Central American conflict is a result of the economic deficiencies, political backwardness and social injustice that have afflicted the countries of this area."

"We therefore cannot accept its becoming part of the East-West confrontation."

But while the members of Congress listened and applauded politely, President Reagan disagreed and lectured Mr. de la Madrid on the importance of taking military action against the Communist threat in the hemisphere. And so far as anybody could judge, public opinion sided with the President.

The President's personality seems to overwhelm his record. The last time he ran for the Presidency, his age was an issue. He brushed it off, promising to submit to physical tests if there was any question of failing mental powers.

Four years later, now the oldest President in the history of the Republic, he said that he wouldn't submit to such tests. The White House announced this week that Capt. Walter Kamey, who took part in the President's latest medical checkup, said that the President was in "very exceptional physical condition."

All this was accepted with relief, but it still raises the question of how public opinion is made in an era of television, public relations and political calculations by computers.

It raises the even more awkward question that the Founding Fathers discussed at great length: whether

His simplistic
approach
yields votes

democracy means that a majority of the people are always to be trusted. The Founding Fathers thought not, which was why they established a Federal Government with power divided among the states and the executive, legislative and judicial branches.

Some of the other reasons why President Reagan endures are fairly clear. He stands for something — in his case, for standing up to the Russians and for questioning the assumptions of the welfare state. But when his policies don't work, he retreats, as in Lebanon and on the budget, and blames his compromises on his opponents.

In his view, all of our problems abroad are the fault of the Russians and all of our pickles and deficits at home are the fault of the Democrats.

So why do the people swallow this baloney? Because they like baloney. Why do they distrust the press? Because they don't really like the complicated facts as they are, hate ambiguity and long for simplicity, which Mr. Reagan gives them with a wave and a smile.

The philosophers recognized this tendency in the people long before the days of television. Aldous Huxley noted it long ago. He wrote in a remarkably modern little book "Ends and Means":

"Certainty is profoundly comforting, and hatred pays a high dividend in emotional excitement. . . . The human mind has an invincible tendency to reduce the diverse to the identical. . . . We shall never succeed in changing our age of iron into an age of gold until we give up our ambition to find a single cause for all our ills. . . ."

This, however, is at least one reason why President Reagan keeps ahead of the game: not only because he is an amiable and optimistic man, lucky in his enemies, but because he makes things seem simpler than they really are.

More Jobs, Not Arms

By Nicholas Mavroules

process is the fault line in an institution composed of 435 members, each accountable to his own constituency. Every member of Congress, every day, faces the problem of reconciling responsibilities to the home district with conflicting national interests. The MX vote wasn't the first time this tug-of-war between local and national interests has occurred and it won't be the last. The Lazarus-like return of the B-1 bomber, canceled in 1977 and revived in 1981, remains the classic example of the strength of the "jobs argument" to keep a program going.

But promoting the arms race is a reckless way to give a guy a job. One computer error, one unidentified blip, one mistake could lead us to ruin in our hair-trigger world. The stakes are too high for Congress not to remedy this danger.

Of course, jobs are important — especially during tough times. It is equally true that a responsible strate-

gic policy cannot be sustained in a weak economy. The trick is to keep our economy strong while reducing unnecessary or ill-advised arms programs.

What is needed is the equivalent of a lateral pass — a planned economic conversion program to develop new uses for plant and new work for labor affected by lost defense contracts — in short, economic alternatives to weapons production within the context of a sensible defense policy.

My version of such a program directs the Defense Department to give communities a year's notice of pending contract cancellations affecting them; to issue planning and job retraining grants up to \$250,000; and to provide temporary income for displaced workers. Affected communities would use the time and assistance to prepare themselves to absorb the shock of losing defense work.

Instead, plan economic conversion

Nicholas Mavroules, Democrat of Massachusetts, is a member of the House Armed Services Committee.

The Search for Stradivari's Secret

By HAROLD C. SCHONBERG

Boil 1 lb. shrimp shells with strong lye for a whole day. Strain it through cheesecloth and wash the residue with a lot of water.

Dissolve residue in vinegar to a maple syrup-like consistency.

Definitely not to put on pancakes. This is the varnish that Joseph Nagyvary of Texas A&M University has developed for violins. He thinks that the great Cremonese violin makers must have used something like it.

Prof. Nagyvary's theories are the subject of an article by Joseph Alper in the March issue of *Science* 84. Like so many in the past, the good professor has been searching for the secrets of the great Cremonese violin makers, from Nicolo Amati in the mid-16th century through Stradivari, Guarneri, Bergonzi, Guadagnini and the other violin makers who lived and worked in the little Italian city of Cremona.

They all were master craftsmen who made instruments of remarkable beauty, power and sensitivity. The two greatest, Antonio Stradivari and Joseph Guarneri del Gesù, carried the techniques to unparalleled heights, and their violins are so sought after that today's prices have gone into orbit. Only a short time ago a Strad fetched \$1.2 million at a London auction. If Isaac Stern or Ruggiero Ricci ever decided to put their Guarneri violins up for sale, they could get even more.

For about 200 years researchers have been trying to figure out why Cremonese instruments are so superior. Scientists in laboratories have made physical, spectroscopic, chemical and acoustic analyses and measurements. Violin makers have pondered over tap tones, F-holes, bass bars, fillers and varnishes. Instruments have been taken apart and dissected.

The results? Scientists and other experts have demonstrated that the wood of the Cremonese instruments is of the utmost importance. Or perhaps it is not very important. The varnish is a major factor. Or perhaps varnish is less important than the filler. Aging of the wood gives the fabulous Cremonese sound, except perhaps that aging is not really that important. No maker today can make a really superior concert instrument, except that there are a couple who can make a really superior concert instrument.

The fact is that nobody really knows what makes a Strad or a Guarneri better than an instrument made today by even the most skillful craftsman.

It is the wood of old violins that concerns Prof. Nagyvary. Violin makers shave down the front and back plates



Detail from a painting of the Italian violin maker Antonio Stradivari (1644-1737) at work in his studio

of the instrument, tuning them by rapping with the knuckles — the so-called "tap tones." Proper tuning, all are agreed, is the key element in the manufacture of a fine violin. But, argues Prof. Nagyvary, tap tones to argue are different because modern makers use dry, untreated wood and inferior varnish.

He claims to have discovered that the Cremonese makers soaked their wood — mostly maple or spruce — in various solutions that pickled it. In a Cremonese instrument the wood is thus partly petrified, with consequent changes in the cell structure and hence a special pattern of overtones. He also believes that the Cremonese varnish was made predominantly of chitin, the polymer found in the wings and bodies of insects. Thus his recipe, with the chitin from shrimp shells substituted for insects.

Prof. Nagyvary's conclusions are received with less than enthusiasm by experts in the field.

"Every ten years," says Marianne Wuritzer Bruck, whose father was a famous dealer and violin expert, "this thing about discovering the lost secrets of Stradivari surfaces. Every few years somebody announces a

breakthrough. But the Cremonese violins still remain the best. The truth is that we really don't know why. Take a Stradivari back plate and analyze it. The wood has changed through the centuries. We can't go back. We know that much of their wood was new wood, ordered from Yugoslavia. A lot of the Cremonese makers did not artificially age their wood. And the varnish recipe is still a 300-year-old thing — and all we can make today is a new thing. A Cremonese instrument can not be duplicated exactly."

There is a secret that has been lost, insists the dealer Jacques Francois. "The consensus," he says, "is that it has to do with the filler that went into the wood. Guadagnini was the last to use it." Giovanni Battista Guadagnini, the best-known of a violin-making family, died in 1786. "It was a slow-drying process, and the formula has been lost. We know what's missing but we cannot duplicate it. Everything else about Cremonese violins we know."

Mr. Francois differs from those who maintain that it is the aging of the wood that makes a Stradivarius what it is.

"We can take 300-year-old wood

and we cannot make a good violin out of it," he says.

But Dr. Frederick A. Saunders, a physicist at Harvard, who devoted 30 years of his life (to his death in 1963) to a study of violins, thought that perhaps the aging of the purfling is integral to the Cremonese sound. The purfling is the three strips of wood fitted into a groove that goes around the perimeter of the instrument. It is partly ornamental, and part to keep the edges of the instrument from chipping. As an instrument continues to be played for a long time, Dr. Saunders thought, the constant vibrations loosen the purfling and a thin edge opens up, altering the vibration characteristics. It is a long, slow process.

One of Dr. Saunders' pupils was Carleen Hutchins, the leading figure today in the wonderfully named Caguit Acoustical Society. She has spent her life working with old and new instruments, and she does not think there is any one secret about Cremonese violins. It was, she says, a matter of experimentation. Stradivari, she says, was making changes in his instruments to the day he died in 1737. But, she also admits, the old instruments do have a superior sound.

"Why can't we duplicate it?" she rhetorically asks. "Because we can't duplicate 200 and more years of playing. Violins get used to vibrating. Part of this is due to the aging of the wood, which provides more damping. A violin that is seldom played will not vibrate very well. The more it is played, the better it vibrates."

Miss Hutchins also discussed the sealer, and she agrees with Mr. Francois that it is a mystery. "Nobody quite knows what went into it. Sacconi felt that it was one of the silicates. We'll never know." The late Simone Fernando Sacconi was a prominent violin maker.

Albert Mell, a professor of music at Queens College and editor of the *Journal of the Violin Society of America*, thinks that if there is a secret, it has to do with the arching of the instrument and the quality and gradation of wood. And then there is the vexed problem of the sealer.

"It is true," Prof. Mell said, "that if the varnish of a Cremonese instrument wears away, the instrument still sounds well, but if the sealer is removed, the instrument is no good." He made the point that the Stradivari label inside a violin is no guarantee of a superior instrument.

"There are about 700 extant Strads," he said, "and only about 50 are really concert instruments that bring the astronomical prices." The others are defective in one way or another, with cracks, new scrolls, per-

haps new tops or bellies, patches, repairs by incompetent craftsmen. There are many fewer Guarneri violins; the man did not live as long as Stradivari, and he appears to have spent a wild, dissolute life. Prof. Mell guesses that there are perhaps 150 extant specimens of Guarneri's work.

Like Norman Pickering, the president of the Violin Society of America, Prof. Mell insists that there are some fine violin makers today. Prof. Mell mentioned Isaac Vigdorichuk, who works in Queens, specializes in tap tones and has written a book about the physical properties of Cremonese instruments and the correct tuning of the plates.

Mr. Pickering, famous in audio circles for his high-fidelity cartridges, nominated other contemporary violin

Very few Strads remain as they were when they left the workshop.

makers whose work he thought could eventually be recognized as the modern equivalents of the Cremonese. Among them are Louis Bellini, Helmut Keller and Hans Weishaar. Mr. Pickering claims that the best violins being made today will probably sound like Strads 200 years from now.

"Not every great violinist automatically went to Stradivari or Guarneri," Mr. Pickering stated.

"Kreiser often played a Vuillaume. Jacques Thibaud concertized with a copy of a Stradivari. There is no secret. All that is needed is meticulous care to a dozen or so fine points in manufacture. The filler? It was not sodium silicate, as Sacconi says. Probably the Cremonese used something as simple as a solution of alcohol resins. Their wood has been saturated with something of low viscosity that penetrates very well. Aging is very important. Something happens to old wood. Part of this results from the filler, with its oxidation over a

long period of time. There can be negative effects, too, if the process goes on too far."

Mr. Pickering wonders what a Stradivari or a del Gesù would have sounded like when new. But, he admitted, we shall never know.

He made the point, not generally realized except among professionals, that very few Strads remain as they were when they left the master's workshop. For one thing they are all some 250 years older. But, even more important, nearly all have been modified. In the 19th century composers began to use much larger orchestras than the Cremonese envisaged, and violinists playing concertos had to carry over immense volumes of sound. So the fingerboard was lengthened, the bridge raised, new bass bars and reinforcements in the belly were inserted; and the result was an instrument with much greater carrying power. Mr. Pickering thinks that not a single violin currently used by concert virtuosos remains as Stradivari made it.

Still, every violinist lusts after a Cremonese instrument, and preferably a top Strad or del Gesù. And don't think that they don't recognize the sound when they hear it. About 20 years ago there was a demonstration in Long Island at which a jury listened to three Cremonese and three modern instruments played by Aaron Rosand. Nobody in the jury knew the identity of any instrument. But when Joseph Fuchs, the American virtuoso and teacher who was on the jury, heard an instrument designated merely as No. 6, his eyes rolled up and he all but went into convulsions. "Marvellous! Wonderful! Oh! Oh!" His orgasmic cries could be heard throughout the hall. What he responded to turned out to be a del Gesù, and it was also the jury's choice as the best instrument of the six. The next two in the scoring were a Bergonzi and a Strad.

And so, to find the secret of the Cremonese, researchers will continue to research, and every few years there will be another discovery in which the "true" secret is unveiled. But nobody will make a thoroughly convincing case, no more than scholars tussling with the identity of the Dark Lady of Shakespeare's sonnets or of Beethoven's Immortal Beloved.

In 'Indiana Jones,' the Stunts Get to Steal the Limelight

By GLENN COLLINS

H e survives a plunge from an airplane. A fall off a cliff. A drop from the top of a building to the streets of Shanghai. He survives burning and clubbing and innumerable attempts to do away with him by gun, knife, fist, boot and — well, Kewpie doll. So what stands out as the most impossible stunt performed by the two-fisted archeologist hero in "Indiana Jones and the Temple of Doom?"

"Keeping that hat on the whole time," joked Harrison Ford, who plays Indiana Jones in the film opening this week in New York. He referred, of course, to the dusty brown fedora that is his character's signature, along with the bullwhip and the brown leather jacket.

"It's kept on with little carpet tacks," Mr. Ford deadpanned. "No, actually they used double-sided tape to keep the hat from falling off. Really. A little trick of the trade."

Mr. Ford took some time away from filming a new movie in the heart of the Pennsylvania Dutch country to talk about his stunt-work exploits in "Indiana Jones," the \$27.5 million sequel to "Raiders of the Lost Ark," which, like its predecessor, was directed by Steven Spielberg. George Lucas of "Star Wars" came up with the story, which takes Indiana Jones from the seedy back streets of Shanghai in 1935 to the mysteries of a maharaja's palace in a search for ancient ritual stones with magical powers.

The state-of-the-art stunt work in "Indiana Jones" is among the most complex and ambitious ever attempted, in a movie so loaded with pulp-fiction plot twists and breakneck B-movie action that it could be thought of as one long, drawn-out, stunt.

To Mr. Ford, stunt work, be it fall, fight, battle or disaster, is "running, jumping and falling down in a greater variety of ways than you ever believed possible," he said. Although he enjoys doing it — he trained for three months in preparation for the film — Mr. Ford suffered injuries that were nearly disastrous for "Indiana Jones." So demanding were the action sequences filmed in Sri Lanka, Madagascar and England that Mr. Ford reactivated a pre-existing back injury last summer, when a third of the movie was yet to be completed. He had to be flown back to Los Angeles to undergo surgery for a ruptured disk.

"Ultimately, I think it was the elephants that did me in," he said of the jolting rides he took for days while shooting the film's jungle elephant jaunt. "The only fun thing about riding elephants is the getting off."

Six weeks after surgery, Mr. Ford returned to the set and began filming the most strenuous stunts of all. These involved a struggle to the death in an ancient mine shaft and the close-up shots in his tussle with the forces of evil on a rickety rope bridge.

"Please reassure your readers and my producers that I'm now fit as a fiddle," he cautioned. "But I could

Sometimes, says Harrison Ford, the stunts hurt.

never have done it without Vic." Vic is Vic Armstrong, who has "doubled" as a stunt-man stand-in for Mr. Ford in "Indiana Jones" as well as "Raiders of the Lost Ark," "Blade Runner" and "Revenge of the Jedi." "Guys like Vic are invisible, and they never get any credit. Nobody ever interviews them," he added.

"But we have to be invisible, if people are going to believe in the film," said Mr. Armstrong by telephone from his farm in Windsor near England's Pinewood studios. In Mr. Armstrong's case, it wasn't all that hard to be invisible: His resemblance to Harrison Ford "is uncanny," he said. They first met while filming "Raiders" in Tunisia. Production people on the set kept mistaking Mr. Armstrong for Mr. Ford. "People kept calling me 'Harrison,' and at first I couldn't figure out who they were talking about." He found out soon enough, and was doubling for Mr. Ford almost immediately. "We're the same height [a touch over 6 feet], the same age [Mr. Ford is 41, Mr. Armstrong 37] and we trade our clothes and boots in all the scenes we do."

Neither star nor stunt man will reveal how they accomplished the film's most technically complex physical sequence — Indiana Jones's 80-foot plummet from the roof of a Shanghai building through a series of canopies that break his fall, "without cutting into the shot until he hits the

last canopy," said Mr. Armstrong. "It's a secret rig we devised," he said. He would neither confirm nor deny that wires were used to control his fall when he doubled for Mr. Ford in the sequence.

Actually, it isn't that easy to double for Harrison Ford: "He's a very physical actor, a natural athlete, and he wants to do it all," said Mr. Armstrong. "I say to him, 'H., we cannot afford to get you smashed up in this scene because we've got a whole crew here that needs to make a living.' And he says, 'Yes, you're right,' and does the scene anyway. He could have made a great stunt man himself."

Mr. Ford yielded to one of Mr. Armstrong's pleas while filming another of the movie's complex and sustained stunt sequences — a roller-coaster ride chase scene on mine cars that ends in a lengthy fight to the death with the chief slave guard.

"At one point the guard throws me into the mine car," said Mr. Ford. "And since I'd just come back from surgery, I had second thoughts about being the throwee." The turbaned chief guard in that scene was played by Pat Roach, the same actor who played Mr. Ford's Nazi opponent in the fight for the flying wing in "Raiders of the Lost Ark."

Why does Mr. Ford do so much stunt work himself? "I do as much as possible because, with Indiana Jones, there are so many opportunities for characterization in the physical action. Really, that is the character — and in these moments of action you see Indiana Jones most clearly," he said.

In addition to doubling for the star, Mr. Armstrong, as one of the film's two "stunt arrangers," as they are called, also coordinated the efforts of many of the movie's 34 stunt men and women. He designed effects that Mr. Spielberg wanted, and then he made sure they worked. Mr. Armstrong has been a stunt man for 19 years in 200 movies, and coordinated stunt work on "Superman," "Never Say Never," "A Bridge Too Far," as well as the as-yet-unreleased "Dune" and "Conan II." He works 52 weeks a year, he said, and is well rewarded for it: he earns an average of \$200,000 annually.

"The most difficult problem for the stunt people in this film was coming up with something truly new, truly unique," said Mr. Armstrong. Mr. Ford disagreed: "The hardest thing was getting up the next morning. It hurt."

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YITZHAK BERMAN watches with deploring resignation as his colleagues from the Liberal Party vanish into the Herut embrace. An old-style Liberal, he mourns the disappearance of the historic stream of General Zionism, and plans to sit out the 11th Knesset elections.

He has already carved out his particular niche in our political history, partly as an independent-minded Knesset speaker, but mainly for having quit Menachem Begin's last cabinet over its procrastination in appointing the Kahane Commission into the Sabra and Shatila massacres.

He angered the Likud party bosses by being among the first to oppose Ariel Sharon's role during the Lebanon war and by his vocal protests from the Knesset rostrum at the bid to distort parliamentary procedure in the vote on the Knesset Dissolution.

Has he quit the Liberal Party? Not formally, says Berman, declaring that it contains no attraction for him as long as it remains part of the Likud. As it stands now, the party has no justification.

He would very much like to be part of a new centre bloc, composed of like-minded disenchanted members of his party, plus Shinui and the Independent Liberals.

Yet he is still in the Liberal Party, hoping against hope that he might still wield some influence.

No, he does not regard the Liberals as the natural heirs of General Zionism.

What does the party stand for? He echoes my question, and replies: "It's neither a Conservative nor a Liberal party as known elsewhere, but a co-operative society for handing out jobs and sinecures, and might best be described as the trailer clinging onto the Herut bandwagon."

Is the former minister saying that the political centre has been displaced by a vacuum?

Smilingly, he comments: "It may be in contradiction of the law of physics, but there is a void. Yet I am being imprecise. One can discern traces of the centre in the big blocs — more in Labour than in Herut, but it does exist, nonetheless. Then there is a sizeable Liberal periphery outside the full-time politicians and functionaries. But they lack political expression."

Berman believes that the public has lost faith in the political centre, not only because of the defunct DMC, but because of the Liberals, whom he claims failed to justify their independence and did nothing to fulfil their programme during the seven years of Likud rule. He feels that with five instead of 18 MKs, the Liberals could have done more in influencing taxation and fiscal policies; reducing the public sector and promoting the private economy.

He recalls nostalgically that, back in 1960, before the Gahal agreement with Herut, the Liberals netted 16 seats. But, not having fulfilled the voters' expectations, the party could only survive as an adjunct to Herut, unless it changed radically.

Berman thinks a grand opportunity of revitalizing the political centre is being lost. Today, he argues, there is greater legitimacy in Liberal and even Conservative philosophy than 25 years ago: witness the involvement of 700,000 citizens in the stock exchange. He is not referring to older voters who are deeply committed to either Herut or Labour, but rather to younger people, who have recently entered business and could be natural General Zionist constituents.

Here he points out the broadening of the middle classes to encompass a growing stratum of highly-paid executives, who are among the first victims of existing income tax regulations.

This segment of the electorate, which dislikes the Socialist thrust of part of the Labour Alignment, particularly Mapam, and finds Herut's populism not to its taste, opted for the DMC in 1977.

Berman notes an interesting parallel pattern in the great democracies, where the trend in recent years has been to the centre and to the right of centre; he cites Britain, West Germany and certainly the United States as examples.

Berman considers the political basis of a centre party to be private enterprise, combined with welfare state policies. He fears for civil rights in a society where the government controls the economy.

The press would be subject to intolerable pressures, owing to the government's power to withhold advertising revenue from dissenting newspapers. Not only would the political freedom of citizens who earn their livelihood from the public sector be curbed, that of individuals engaged in private business would also.

THE FORMER minister is deeply concerned about trends in Israeli society, with 50 per cent of the economy in public hands employing 40 per cent of the labour force (he includes local government in his reckoning). This trend will mount, he says, because government com-

panies have easier access to cheap credit. Berman contends that the Likud has a worse record in this respect than the previous Labour governments. During the Likud's seven years in power, it sold off only 13 minor state corporations, the biggest being the Tefahot Mortgage Bank. On the other hand, the government bought out Paz oil and other sizeable firms.

Berman points out that between 1971 and 1977 the two previous Labour administrations sold 54 state companies, including the Zim Shipping Line and the Haifa Oil Refineries. And he adds: "After the deaths of Liberal leaders Peretz Bernstein and Yosef Sapir, the only true Liberals left in the field were the late Labour finance ministers Pinhas Sapir and Yehoshua Rabinowitz. The latter introduced income tax reform, lowering marginal rate to 60 per cent, while the Likud broke that barrier by another 10 per cent."

Here Berman notes pointedly that the proportion of self-employed in the labour force declined under Likud rule from 15.2 per cent to 13.4 per cent and Labour's discriminatory measures against business were reinforced by the Likud. He cites as an example the "Peace for Galilee" war levy which, he claims, was four times heavier on the self-employed than on salaried workers. "You know, that injustice was brought to the Knesset's attention by Labour MK Michael Bar-Zohar. The Liberals hadn't noticed. I myself tried

Post Political Correspondent Mark Segal talks to former Liberal minister Yitzhak Berman.

Liberal's lament



unsuccessfully to amend regulations dealing with the betterment tax (*mas shevahi*), car expenses tax, and so forth."

Berman contends there was a fundamental conflict of interests between the Liberal programme and Herut's constituency. "Herut wants to show its mass proletarian vote that it is bashing the rich and hitting at the middle class. When I resigned from the cabinet, a Herut activist wrote in *Ma'ariv* that I quit because I was unhappy at the government's treatment of the proletariat class."

Is Herut a Peronist party? The Liberal says he is unable to reply to that question properly, being unfamiliar with the history and record of the Argentinian party. Yet he feels that the Likud adopted a line well to the left of the Revisionist ideology.

Although never a Revisionist, Berman was involved in the IZL, serving as its political emissary during the days of World War II in spy-ridden Istanbul, where he was among the first to obtain news of Hitler's "Final Solution." He came on aliyah in the early 1920's with his parents from the Ukraine, where his father had practised as a Rabbi after studying at the Conservative rabbinical seminary in Odessa, where he was part of the literary circle that included Mendele Mocher Seforim and Haim Nahman Bialik among its members.

Berman holds that Herut has betrayed part of Jabotinsky's credo by abandoning his urging to defend the middle classes.

"That was an integral part of Jabotinsky's doctrine, and it was the prime cause for tension, at times explosive, between Mapai and the anti-Socialist Revisionists. I remember clearly how Jabotinsky stood on the balcony of Cafe Altschuler at the corner of Allenby and Sheinkin streets, facing the Carmel Market, and declared 'I am a bourgeois.' Most of his audience were small businessmen or artisans."

"That was in the early '30s, just after the Fourth Aliyah, when it was quite something to accord legitimacy to the bourgeoisie which was treated with contempt by the elected institutions of the *yishuv*, dominated by the Socialist Zealots of the Third Aliyah."

Jabotinsky even created a hero for the middle classes, borrowing the name of his late friend, Yosef Trumpeldor, for his Betar (Brit Trumpeldor) youth movement, although the dead hero had been a leading Labour Zionist. No wonder the Revisionists won 20 per cent in the elections to the Elected Assembly (*Assefat Hamivharim*).

Berman challenges accepted notions about Herut's history, arguing that Menachem Begin did not create a new party, but inherited the Revisionist constituency. Yet, he notes, only after Begin shaped the Gahal agreement with the General Zionists in 1965 did his party get anywhere near the percentage of the Revisionists in the pre-independence *yishuv*.

He also remembers in his youth during assembly elections in Jerusalem, the intense support accorded the Revisionists by members of the Oriental communities, challenging the legend that only Begin could draw the Sephardi vote. At the various Zionist congresses, Jabotinsky found support from delegates from Greece and North Africa.

HERUT TODAY, Berman points out, is a far cry from Jabotinsky's ideological creation, apart from the Greater Israel concept. The founder of Revisionism was, above all, passionately anti-clerical, and the pro-rabbinical zealotry of those claiming to be his ideological heirs would

have irritated him greatly. Unlike others in the IZL command, Berman did not enter Herut with Begin in 1948, because he approved of the Partition scheme and did not believe in the Greater Israel dogma. Instead he joined the General Zionists. During the ensuing years, he built up his law practice and also his power base in the Tel Aviv branch of the party. He admits to neglecting both when he took office.

After quitting the cabinet, Berman formed the "Central Forum" ginger group with the aim of launching a new centre party. But it did not work out, he says, because Shinui and the ILP would not join forces. As for the idea of floating a separate division within the Likud, Berman relates that he went on record in registering his intention of not running as a candidate within the Likud framework, although he had been promised a safe seat.

No one expelled him from the party; he simply allowed the link to weaken.

Generally speaking, "I consider the alliance between the Liberals and Herut to be unnatural. The most logical step would be, for the two parties to merge formally," he says.

As for the connection with Shinui, Berman denies rumours which say that the stumbling block is the place he could get on the Shinui list. He has not discussed his ranking, only whether the proposed centre bloc would have a solid enough foundation.

He reveals that, a year ago, fellow Liberal MK Dror Zeigerman and he were approached by Shinui with the aim of forming a joint parliamentary bloc eventually to run on a joint list. However, the two Liberals explained that while they supported early elections, they certainly would not vote for switching governments in mid-term.

"I thought it undesirable, because Labour would have to offer even more to Tami and Agudat Yisrael than the Likud had been giving. While we justified running on a separate central list in the forthcoming elections, we could not support the idea of crossing the party lines, considering that we were elected on the Likud ticket."

Berman fears that circumstances will not allow the formation of a central party which could be based on Shinui, the ILP, part of the Liberals and remnants of the DMC.

At this juncture, he indicates a copy of a letter dated May 4, which he wrote to Yoram Alster, chairman of the Shinui secretariat, in which he mentions Alster's initiative to launch a central bloc.

In the letter, Berman notes that the ILP's lack of interest renders such a project of little value. However, he writes, intensified efforts to this end should be resumed after the elections.

Regarding his contacts with Ezer Weizman, Berman reveals that the former Likud defence minister invited both himself and Zeigerman to lunch at Jerusalem's Palmach Restaurant about 18 months ago, shortly after he quit the cabinet. Weizman suggested the two Liberals form a new party with him, on condition they help to effect a change of government in mid-term, without new elections. The main achievement of such a ploy, in Weizman's eyes, was that he would regain the defence portfolio.

"I offered him the same argument I had made to Shinui: no crossing the party line without new elections. Weizman snapped: 'Then there's no deal,' and left." A year and half later, in his first TV appearance as an independent party head, Weizman branded Zeigerman and Berman as "tainted" for having supported the government that went to war in Lebanon, ignoring Berman's record in this respect.

Here the former minister added acridly: "Now it emerges that Weizman was even ready to join Yitzhak Shamir's cabinet as finance minister, although it was a so-called tainted government. Now he says he does not disqualify Ariel Sharon from regaining the defence ministry, nor does he find him culpable for what happened in Lebanon. From that we learn that only three persons were to blame: Menachem Begin, Zeigerman and myself."

Berman feels this derives from the general rise in the level of education, which has, conversely, caused a decline in the value of the leader.

"Even as late as 40 years ago, a political leader was regarded as a kind of prophet. Today he is seen as a manager. In this age of the ever-present TV camera, it is well-nigh impossible to weave a myth around a politician, and charisma works only on part of the public, not on the majority."

For his part, even today, were a centre party to come into being, Berman would not disqualify Weizman from its leadership. He thinks Weizman's Yahad list might garner votes from those who dislike Sharon and his prominent role in Herut. On the other hand, Shamir's firm handling of the underground terror cells will be electorally to the Likud's advantage, because it makes the party appear that much more civilized and democratic.

Speaking generally of Weizman the politician, Berman recalls that when former president Yitzhak Navon asked him whether he planned to join Weizman's party, he replied, "Weizman at the head of an independent party could be compared to a luxurious villa sited on the lip of a volcano. The view is magnificent, until the next eruption and God help the tenants."

The potential voters for a centre party would, in his estimation, in part choose Labour. Some might opt for the Likud. But mostly they would abstain. Berman feels that Shinui lost centrist voters because they consider it to be too much to the left on religious and civil liberties and too radical in foreign and defence matters.

HE CANNOT complain about the way the Liberal Party treated him: they chose him as speaker and a cabinet minister and, after he left the cabinet, he was entrusted to go back in the drawn-out period between his resignation and the election of Sara Doron to the government.

"When I handed in my letter of resignation, Begin called me in and asked me to withdraw it because he had come round to the idea of forming an enquiry commission. However, I told him that that was not the sole reason for my dissatisfaction."

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Jlem Economic Conference off to good start

By DAVID KRIVINE
Jerusalem Post Correspondent

"This forum should take place every year, not once in seven years," Guilford Glazer, one of the participants in the Jerusalem Economic Conference, told *The Post* yesterday. The 400-member assembly (plus 200 Israelis) kicked off to a crowded start at a reception at Beit Hanassi last night.

Delegates will be addressed this morning by Nobel Laureate Lawrence Klein, Robert Galvin, world chairman of Motorola, and Lionel Olmer, Under-Secretary of the U.S. Department of Commerce.

Glazer paid tribute to Ya'acov Meridor, Minister of Economic Coordination for travelling the length and breadth of the U.S. in

drumming up attendance. "He engineered with the Governor of Texas a project for the use of modern Israeli-made teaching equipment to educate the Chicanos (Mexicans in the U.S.). Texas is also beginning to exploit Israeli-made irrigation systems for its cotton cultivation."

"We work hard for Congressional support in states with a scanty Jewish population. Texas is one such state, and this technological interchange helps a lot," Glazer observed.

He is confident that important business deals will be concluded at the gathering. "Three or four Israeli companies have left in my room brochures, with invitations for a meeting. The stuff is interesting, the products featured may be useful in American building ventures," he is active in the construction business,

having put up in the Los Angeles area the biggest indoor shopping mall in the world.

His wife Diane, present with him, runs an interview programme five or six times a week.

Israel is about to form a free-trade zone with the U.S. Foreign investors will want to use Israel as a spring-board into the American market, he noted, in support of his view that get-togethers like this conference are to be welcomed.

May not Israel's inflation deter potential business ventures? Glazer pointed to a cup of coffee on the table. "A year ago that cost 50 cents. You've had 200 per cent inflation - and the coffee still costs 50 cents. I don't call that real inflation," he concluded.

By CHARLES HOFFMAN
Jerusalem Post Reporter

The government's policy of luring multi-national corporations to invest in high-technology industry here will retard the development of Israel's science-based industries, according to an expert in urban sociology now a visiting lecturer at the Hebrew University.

In a recent lecture at the university, Dr. Roger Friedland presented the results of his research into Israel's potential for high-tech industrial development, based on interviews with government officials and entrepreneurs.

Friedland is on leave from the University of California at Santa Barbara.

He concluded that there are already serious constraints on the ability of small, young firms to convert scientific innovations into new products. The venture-capital market for high-risk investments is ill-

Intel's raid on Tadiran forced plant closure

Warning not to lure multi-nationals here

developed and government follows a play-it-safe policy by concentrating incentives on the larger, established firms. Furthermore, much industrial research and development takes place in the defence industries, where security restrictions limit their applications. Another constraint is that links between academic research centres and private sectors are poorly developed.

On top of this negative environment for stimulating new high-tech industries, he said, comes the advent of the multi-nationals. Their centralized, bureaucratic and multi-divisional structure is least suited to products in the development stage,

which thrive better in small firms whose owners are willing to adopt unconventional procedures and take risks.

The large firms, he said, will impart new management techniques to the local economy, but Israel's capacity to innovate will come under control of multi-nationals, which can and do pack up and leave for greener pastures when it suits their corporate strategies. The high salaries and other material incentives they offer Israeli workers also drastically reduces the pool of local entrepreneurs who could strike out on their own.

In his study of the science-based

industrial zone in Jerusalem's Har Hahotzvim, Friedland found that the American electronics giant Intel offered salaries and other perks that were "out of sight," in the words of one executive. These included a yearly salary of \$24,000, a \$6,000 grant for joining the firm, home mortgages and other inducements.

Intel also raided Tadiran's quartz crystal plant in Holon, he said, and took away so many employees that Tadiran was forced to close it down.

Foreign funds now account for half of all private industrial R&D in Israel, and over 100 major firms, mostly American, have invested in high-tech industries here. These include Control Data, Sigma Chemicals, Bell Laboratories, Intel and Monsanto. Others now checking out investment possibilities are Digital, Burroughs, and Summa, the medical instruments firm owned by the late Howard Hughes.

Tourism from Scandinavia on upswing

By HAIM SHAPIRO Jerusalem Post Reporter

Israel is back on the tourism map for Scandinavians, according to the Tourism Ministry, which says that in the first three months of this year some 15,000 visitors arrived from northern Europe.

The number represents an increase of 45 per cent over the same period last year. Shabtai Shai, assistant director of the tourist promotion department at the ministry noted that although this is still short of the number of visitors in the peak period around 1980, it represents a definite upswing.

Shai explained that before the war in Lebanon, Scandinavians represented one fifth of the winter tourism from Europe. All this stopped with the outbreak of the war and tour organizers in these countries took Israel out of their holiday brochures.

The reversal in this pattern began last September and continued to grow throughout the winter.

Soviets get \$250m. loan in the West

FRANKFURT (AP). — After an absence of four years, the Soviet Union has returned to the western capital market signing a \$250 million loan with a consortium of 31 non-American banks.

Lenders from 17 countries took part in the deal signed last week at Dresdner Bank's office in Luxembourg, a statement from the second largest West German commercial bank said.

An official from a European bank in the consortium said, "our impression is that it was the first of all the Soviets' intention to restore a presence in western capital markets after a four-year absence. There are no signs of a liquidity problem in the Soviet Union," he said when asked what the Soviets wanted to use the money for.



Joshua Maor

New manager at IBM

TEL AVIV. — Joshua Maor was yesterday appointed general manager of IBM Israel. The former general manager, David Cohen, passed away earlier this month.

Maor was born in Petah Tikva in 1936 and completed his studies in business administration at what was then the Hebrew University's Tel Aviv branch. He joined the marketing department of IBM Israel in 1969 and spent four years at the company's main office in Paris.

In 1981 he was appointed deputy-general manager in charge of marketing.

WHAT'S ON

Notices in this feature are charged at \$1884 per line including VAT, insertion every day of the month costs \$13,501 including VAT, per month. Copy accepted at offices of the Jerusalem Post and all recognized advertising agents.

Jerusalem MUSEUMS

Israel Museum. Exhibitions: Window to Islam: Islamic culture, religion, science and Court life; Gallery of the Roman Period: restoration of gallery and new finds; Nahum Tzvet, Wall Statues and Models for Large Sculptures; Jonathan Borofsky, Environmental Sculpture and 3-Dimensional Painting, Face and Body, New Acquisitions in Photography; Herndon, 45 Years of Design; David Schaeffer, Posters and Advertisement; Tom Seidmann Freud, Illustrator of Children's Books; Scarp, Home Theatre Sets and Greeting Cards; Permanent Collection of Judaica, Art, Archeology and Contemporary Israeli Art; 12 Pages from Cairo Geniza; Medieval Manuscript, Special Exhibits: Floor Mosaic from Byzantine Church (from 15th), Masterpiece of Greek Pottery 6th Cent. Mosaic Floor, Ticho House: Works by Anna Ticho, Collection of Hannekuk (open 10:30-3:30, 10:30-1:30); Rockefeller Museum: Kadesh Barnea, Judean Kingdom Fortress; News in Antiquities, Finds from Phoenician Tombs, 10th to 7th cent. B.C.; How to Study the Past (for children); Paley Center, next to Rockefeller Museum, Closed Saturday.

Visiting Hours: 9:30-5:30; Children's film, "Tom Sawyer"; 8:30-10:30: Israeli Festival, "La Folia," with Israeli Baroque Players.

CONDUCTED TOURS

HADASSAH — Guided tour of all installations • Hourly tours at Karyat Hadassah Mt. Scopus. • Information, reservations: 02-416533, 02-446271.

Hebrew University:

1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Bus 9 and 28.

2. Mount Scopus tours 11 a.m. from the Brodman Reception Center, Sherman Building. Buses 9 and 28 to last stop. Further details: Tel. 02-585819.

3. Old City, Jerusalem. Free Morning Tours — Alkalai Street, Jerusalem. Tel. 02-699222.

Tel Aviv

MUSEUMS

Tel Aviv Museum. Exhibitions: Israeli Art: Classical Painting in 17th and 18th centuries; Impressionism and Post-Impressionism; Twentieth Century Art: Visiting Hours: Sun.-Thur. 10-10. Fri. closed. Sat. 10-2. 7:40. Helene Rubinstein Pavilion: New Exhibition: A Pear and an Apple — Exhibition on Still-Life. Visiting Hours: Sun.-Thur. 9-5. Sat. 10-2. Fri. 10-2.

CONDUCTED TOURS

American Mizrahi Women. Free Morning Tours — Tel Aviv, Tel. 220187, 243106.

WIZO: To visit our projects call Tel Aviv, 224819, Jerusalem — 810110, and Haifa 88791.

PIONEER WOMEN — N.A.M.A.T. Morning tours. Call reservations: Tel Aviv, 256096.

HAIFA

What's On in Haifa, dial 04-40846.

Cry of 'tax discrimination'

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — Finance Minister Yigal Cohen-Orgad is "legitimizing tax discrimination," Avner Ben-Yakar, chairman of the tax committee of the Coordinating Committee of the Economic Organizations, charged yesterday.

He wrote the Finance Minister asking him not to go ahead with his proposal to change the tax brackets for employees, so they would pay less taxes, while not lowering them simultaneously for the self-employed.

Ben-Yakar admitted that income tax revenue from the self-employed had dropped lately. But he claimed that this was simply because of bad economic conditions, which had reduced their income, and consequently their tax payments.

"Common sense dictates that those earning the same amount of income should pay the same taxes,

UK inflation steady at 5.2 per cent

LONDON (AP). — Britain's annual inflation rate remained at 5.2 per cent through the year ending in April, the Department of Employment announced Friday.

The increase of 1.3 per cent in the cost of living index for April was somewhat higher than expected, but Employment Secretary Tom King said the government remained "on course to get inflation down to 4.5 per cent by the end of the year."

ENTERTAINMENT

TELEVISION

EDUCATIONAL:

8:15 School Broadcasts 15:00 Surprise Train 15:20 Touch 15:50 Follow Me — English for Adults 16:00 The Heart 16:25 Rehov Sunsum 17:00 A New Evening — live magazine

CHILDREN'S PROGRAMME:

17:30 Diffrent Strokes: Coming of Age 18:00 Cartoons

Greetings and Humour

ARABIC-LANGUAGE programmes:

18:30 News rounder

18:32 Programme Trailer

18:35 Sport

19:30 News

HEBREW PROGRAMMES resume at 20:00 with a new rounder

20:02 Fama: Gonna Learn How to Fly (part 2)

20:50 Driving Home — new programme to encourage better driving habits, introduced by Hana Goldblatt

21:00 Mabat Newsweek

21:30 Are You Being Served? — comedy: Fifty Years On

22:00 This is the Time

22:50 Target — action series: Roadrunner 23:40 News

JORDAN TV (unofficial)

18:30 Cartoons 19:00 French Hour 19:30 (JTV 3) Science film 20:00 News in French 20:30 News in Hebrew 21:00 News in Arabic 21:30 The Blue and the Grey 22:30 Doctor at Large 23:00 News in English 23:15 Veil

MIDDLE EAST TV (From T.A. north):

13:00 Insight 13:30 Another Life 14:00 700 Club 14:30 Shape-Up 15:00 Afternoon Movie 16:30 Spiderman 17:00 Popeye 17:30 Super Book 18:00 Laganis 19:00 Bonanza 20:00 Another Life 20:30 World News Tonight 21:00 Entertainment Special WKRP Cincinnati 21:30 NBA Basketball 22:50 Club 23:24 News Update

ON THE AIR

Voice of Music

6:02 Musical Clock

7:07 Roberto Valentin: Concerto for All-Recorder; Paganini: Sonata for Violin and Guitar in A major

7:30 Olima: Russian and Ludmila Overture; Rachmaninoff: Symphonic Dances, Op.45; Origo: Piano Concerto (Rubinstein); Beethoven: Trio for 2 Oboes and English Horn, Op.87 (Holliger); Bruch: Violin Concerto No.1 (Kyung Wan Chung)

9:30 Tippet: Concerto for Double String Orchestra (Marriner); K. Stamitz: Clarinet Concerto; Brahms: Serenade No.2, Op.16 (Vienna Symphony); Berlioz: Mendelssohn: Quartet, Op.80 (B. Sternhold); Schubert: Symphony No.9 (Cleveland, Szell)

12:00 Yaval Trio — Brahms: Cello Sonata No.1; Mendelssohn: Trio, Op.49; Schumann: Fantasy Pieces, Op.73, for Cello and Piano

13:05 The Musical Atmosphere on Mt. Meron on Lag Ba Omer

15:30 Youth Programme

16:30 The Jerusalem Symphony Orchestra, Yuri Aharonovich conducting; with Ilan Rogoff, piano — Soter: Chopin: Chopin: Piano Concerto No.1; Dvorak: Symphony No.6

ARMY

6:06 Morning Sounds

6:30 University on the Air

7:07 "707" — with Alex Auker

8:05 Morning Newsweek

8:05 Right Now — with Michael Hand-shaw

11:05 Israeli Spring — with Eli Yisraeli

11:05 Two Hours

15:05 What's Wrong? — with Erez Tal

16:05 Four in the Afternoon

17:05 Evening Newsweek

18:05 Popularity Songs

19:05 Music Today — music magazine

20:05 Golden Oldies Hit Parade

21:00 Mabat — TV Newsweek

21:55 University on the Air (repeat)

22:05 Popularity Songs

23:05 Interview with Marcel Janco, recorded a short time before his death

00:05 Night Birds — songs, chat

CINEMAS

JERUSALEM 4, 7, 9

Eden: Private School for Girls; Edison: Footloose; Hahinshi: Honorary Consul; Kfir: Yentl 4, 6, 45, 9; 15: Mitchell: Terms of Endearment 6, 45, 9; Orion: The Day After 4, 6, 45, 9; Orna: The Right Stuff 4, 8; Roni Zech: Semadar: Return of Martin Chuzzlewit; Cinema One: The Impact 8; Trading Places 9, 45; Cinemascope: Odin Theatre (part 1) 2, 5 p.m.; For Your Eyes Only 7, 9; Qu'est-ce Qui Fait Courir David? 9, 30; Israel Museum: Tom Sawyer 3, 30.

TEL AVIV 4, 7, 9, 15, 9, 30

Albany: Space Hunter 5, 7, 30, 40; Ben-Yehuda: Footloose 5, 7, 30, 40; Chen 1: Terms of Endearment 4, 35, 7, 15, 9, 45; Chen 2: Cross Creek 4, 15, 7, 15, 9, 40; Chen 3: Cross Creek 4, 15, 7, 15, 9, 40; Chen 4: Experience Preferred but Not Essential 5, 7, 30, 45; Chen 5: Trading Places 10, 30, 1, 30, 4, 45, 7, 25, 9, 45; Cinema One: Scarface 6, 20, 30; Cinema Two: Shogun 6, 30, 9, 30; Cinema One: The Impact 8; Drive In: Escape From the Bronx 9, 45; Paradise 8; Sex film, 12:15 midnight; Esther: J'ai Eprouve un Ombre 5, 7, 30, 9, 30; Gai: Gai Chilli 5, 7, 30, 9, 40; Gordon: Mal More 5, 7, 30, 9, 40; Hana: Irma La Douce 4, 6, 45, 9, 30; Le 8: Zelig 1, 30, 4, 30, 7, 30, 9, 30; Lev 1: The Dresser 1, 30, 4, 30, 7, 30, 9, 30.

RAMAT GAN

Armenia: Honorary Consul 7, 15, 9, 30; Zizany 5; Lily: Educating Rita 7, 15, 9, 30; Oasis: Star Ship Invasion 7, 15, 9, 30; Rite's Web 5; Orna: Never Say Never Again 5, 7, 30, 9, 45; Ramat Gan: Evil that Men Do 7, 15, 9, 30.

HERZLIYA

David: Mr. Man 7, 30, 9, 30 (Mat. 5, Sun. Tue., Wed., Thur.); Tifaret: I Love You Carmen 7, 30, 9, 30.

HOLON

Migdal: Terms of Endearment 7, 15, 9, 30; Savoy: Private School 5, 7, 30, 9, 30.

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ONE-AND-ONE CROSSWORD

ACROSS

1 Ever so many at the two auctions (4, 4)

9 Morally obliged to be in the bond store (4, 5)

10 Palm from a cultivated acre (5)

11 Hippy good health? (6)

12 Game bird, but played a rash innings it would seem (4, 4)

13 Cautious about the leading note being rapid (6)

15 Draw conclusion from the pathologist's thermometer (4, 4)

18 Patisserie which supplies split peas with hock (4, 4)

19 Turning point for creditor taking an Oxford magazine (6)

21 Real dodo evolved in a legendary land (2, 6)

23 Duck away from the scooter — or just duck (6)

26 What the bloodied boxer throws in to the wash (5)

27 Bash men in at embarrassment (8)

28 Councilors with sons who might also join the stock exchange? (4, 7)

DOWN

1 Insect which did not sting to (7)

2 It was raised by the church (5)

3 Valuable fotsam salvaged from barge's rim (9)

4 Old copper spirit barrel (4)

5 He is getting on with the hour-glass (5-5)

6 Respectable street needing social assistance (5)

7 Shelving support is literally parenthetical (7)

8 Those who flee and eg refuse to be dispersed (8)

14 Dismantle the swindle (4, 4)

16 Ambition of working impetuously is right on target (6, 3)

17 Stop to celebrate Lent (4, 4)

18 The pronounced tongue of the feline species (7)

20 Thus religious ceremonies produce a lengthy argument (7)

22 It is housed in a spandrel icon? (5)

24 They object to English topic (5)

25 A little lower than the knee it is (4)

QUICK CROSSWORD

ACROSS

1 Gummed label

5 Bullet

8 Ardent lover

9 Passage across

10 Crafty sponger

11 Late edition

12 Promise

DOWN

1 Troublesome woman

2 Huge

3 Hillock

4 Laboratory still

5 Laboratory chemical

6 Capsize

7 Take from

12 Larab

13 Army commander

15 Learning establishment

16 Senior manservant

18 Varieties

19 Biblical power

24 Great fear

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Haifa: Yavne, 7 Tish Sina, 672288. Nitzan, Kiryat Yam, 751680.

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H R L D P R A T
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A M O N T L H L
N E U T R E R B E V E R A G E

Quick Solution

ACROSS: 1 Bitter, 4 Tongue, 7 Guileless, 9 Hurt, 10 Each, 11 Atone, 12 Double, 14 Treaty, 15 Endure, 16 Modish, 19 Enter, 20 Prep, 22 Ruled, 23 Laborious, 24 Damaged, 25 Mutter, 26 Down, 27 Bashed, 28 Taut, 3 Relate, 4 Toilsome, 5 Noble, 6 Elusive, 7 Groundless, 8 Salacious, 11 Alive, 12 Error, 18 Exposed, 19 Enfold, 22 Rumor, 18 Hangar, 21 Pain, 22 Runt.

Heavy falls on expanded volume

TEL AVIV. - Shares and bonds fell sharply as a new selling wave hit the stock market yesterday. Volume on the share market rose dramatically from the recent ebb, crossing the one billion shekel mark for the first time in several weeks.

Analysts attributed the renewed selling pressure to the need to raise cash on the part of mutual funds. When the public redeems large quantities of its mutual fund units, fund managers are forced to sell on the open market in order to meet their obligations.

The main focus of activity was the share market, where the turnover soared to IS1,264.8 million, several times the amount that has been changing hands in daily trading during the last two months. Of this figure, IS928.6m., or 75 per cent, was registered in the shares of the banks which entered the "arrangement" with the Treasury. These are the most liquid assets available in the market, since they have a wide spread of investors, including institutions, which are ready to buy them on the basis of the government's guarantee.

Large blocks of these shares were bought up after dropping between

Tel Aviv Stock Exchange

By PINHAS LANDAU

1.5 and 6.5 per cent and traders noted that the Bank of Israel representative was not the only buyer for these stocks.

The regular bond market was quieter, the turnover reaching only IS381 m. but the trend was the same as in shares. The falls were more restrained, however, and the bond index fell less than half a per cent on the day. Dollar-linked bonds were slightly ahead.

In the "free" bank share market, losses were spread fairly liberally throughout the list, with every sector showing a loss of greater or lesser extent. The General Share Index fell 3.5 per cent, and the non-bank index 3.5 per cent. But the hardest hit sectors were industrials, down 4 per cent, and investment companies, which lost over 5 per cent.

In the industrial sector, some of the favourite growth and export-oriented shares were especially hard

hit. Elbit and Elron both lost over 5 per cent in heavy trading, and Spectronix 1.0 dropped a full 10 per cent. The leading investment companies were similarly mauled, with Discount Investments off 5 per cent, and ICB falling 10 per cent and ICB Development down over 3 per cent.

The market statistics reinforced the negative picture. Overall, the advance/decline ratio was 1:4, and amongst shares that registered moves in excess of 5 per cent, this increased to 1:5. A full 40 issues were marked as "sellers only" and only one solitary share found no sellers and became a "buyers only." In a twist of behaviour only possible on the Tel Aviv market, Rogovin IS1.0 was marked "buyers only" while the other securities of the same company, the IS 5.0 shares and the options fell by 5.3 and 8.2 per cent, respectively.

ANNOUNCEMENTS: Frutaron Electrochemical Industries. The company's adjusted loss for 1983 was IS727.1m., down from IS1,164.1m. in 1982 (both figures in constant December 1983 shekels).

The company's parallel dollar accounts, prepared according to U.S. accounting procedures, show a turnaround from a loss of \$12.3m. in 1982 to a \$76,000 profit in 1983. The company notes that the improvement in its business, primarily in exports, extended into the first third of 1984.

Urdan-Vulcan. The previously announced merger of these two companies was completed with the exchange of all Vulcan's shares for 20 per cent of the outstanding share capital of Urdan.

Vulcan has hitherto been a Koor company, and is the oldest metal casting firm in the country. Its sales last year were IS611.5m. and its adjusted loss IS111.3m. It recently added new equipment for casting iron and steel, thereby increasing its production capability.

Urdan, owned by Central Trade, itself a subsidiary of Clal Industries, specializes in steel production for military uses and has a long-term contract with the Defence Ministry to supply armour-plating. About 20 per cent of its sales (1983, \$55m.) are exports. Urdan has more orders on its books than it can supply with its existing facilities, and the merger is designed to maximize the country's steel-casting output through economies of scale.

Most active issues:
Hapolum 4620 IS268.4m -30
Leumi 2940 IS252.4m -60
Mizrahi 2600 IS126.2m -55

Turnovers:
IS1,264.8m.
IS181.5m.
IS181.5m.
Shares up: 74
Shares down: 309

New Sonol Station

TEL AVIV - Sonol has inaugurated its 115th service station, located at Yafia near Nazareth. The station is operated by the Serugi family, which has been in the fuel business for 75 years. The family already operates another Sonol station in Nazareth and is planning to open a third in the industrial area of the town.

EXPORTS. - Tadiran expects its exports, which are expected to reach \$270 million this year, to climb to \$300m. next year. Zachi Raviv, director of marketing of the company said yesterday.

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Company	Price	Volume	Change
Bank Leumi	1880	19	-30 -1.1
Bank Hapoalim	1610	1000	-10 -1.5
Bank Mizrahi	254	1234	-28 -9.9
Bank Leumi	1738	82	-29 -1.6
Bank Hapoalim	1324	59	-19 -1.4
Bank Mizrahi	2667	40	-17 -1.3
Bank Leumi	255	109	-33 -10.1
Bank Hapoalim	80	3961	-9 -10.1
Bank Mizrahi	206	40	-11 -5.1
Bank Leumi	283	2649	-31 -9.9
Bank Hapoalim	364	1470	-27 -6.9

Company	Price	Volume	Change
Bank Leumi	6810	1809	-115 -1.7
Bank Hapoalim	7000	—	—
Bank Mizrahi	4500	—	—
Bank Leumi	1300	—	—
Bank Hapoalim	900	—	—
Bank Mizrahi	500	—	—
Bank Leumi	500	—	—
Bank Hapoalim	500	—	—
Bank Mizrahi	500	—	—
Bank Leumi	500	—	—
Bank Hapoalim	500	—	—
Bank Mizrahi	500	—	—

Company	Price	Volume	Change
Bank Leumi	3400	—	—
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Ari Rath
Editor and
Managing Director

THE JERUSALEM
POST

Erwin Frenkel
Editor

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Histadrut's real role

AFTER PROTRACTED negotiations, the Histadrut and the employers last week signed a new cost-of-living agreement, even before a new wage contract has been hammered out. Agreement on the cost-of-living allowance, in advance of the basic wage agreement, was supposed to be the answer to the hyperinflation of the last eight months. It was to ensure that wage earners will be compensated for the sharp erosion of their real wages.

However, the agreement is no such thing. In some respects it is worse for workers than the previous agreement that expired on March 31. For instead of an 85 per cent compensation, the new agreement provides only for an 80 per cent compensation if inflation exceeds 12 per cent in a given month. Inflation has to reach 25 per cent in one month for the cost-of-living allowance to be 90 per cent.

Significantly, the employers as well as the Histadrut have come to accept a monthly inflation rate of 25 per cent as a realistic prospect. They have even gone to the lengths of running the new agreement's provisions through a computer to find out whether it will stand up to an annual inflation of 700 per cent. When the computer said that even then wage earners would be compensated for the vanishing value of their wage packet, both parties to the pact were relieved. No wonder that the Treasury applauded the agreement from the sidelines.

The question, however, is why, in the present state of hyperinflation, the wage earners—and they alone—should at all be asked to "absorb" a fifth of whatever the current price inflation may be—and to get that compensation, itself eroded, after a delay of more than two months.

The other side of the same coin is to ask what part, if any, of inflation the employers have absorbed. Judging by the wholesale price index of industrial goods, the manufacturers have as always raised their prices according to the "cost-plus" rule, by the full rate of the average inflation. As their wage costs have been reduced drastically, in real terms, while there is no sign of shrinking demand that might have reduced their sales volume, this means that the share of their profits has gone up. Even the sharp rise of some cost elements which the manufacturers have put in the shop window to show that they cannot pay full compensation through the cost-of-living allowance—chief among them the rise in interest rates—does not change this picture.

Strangely enough, the Histadrut has put its hand to an agreement that does very little for the wage earners, whose interests the Histadrut is supposed to represent, and very much for the employers. There may be two explanations for that, and both are bad for the economy.

One is that the Histadrut expects to even the score through the basic wage agreement, which still remains to be haggled out. That agreement, however, is signed for two years, and in two years inflation may, hopefully, be brought down to more tolerable levels. Wage hikes that are not strictly compensation for the inflationary erosion of wages can only make it more difficult to slow inflation later on. Compensation through the cost-of-living allowance is one thing; its purpose is to maintain a given level of real wages, and it should be as full and as speedy as possible. Increases in the real level of basic wages are another thing. They have to do with productivity, with the general state of the economy, and with income distribution. They should not be used to compensate for inflation.

If the Histadrut means to gain on the swings what it has now lost on the roundabouts, that is bad trade union policy, and bad politics. Wage erosion as a result of inflation should have been tackled in the negotiations over the main instrument designed to cope with it, the cost-of-living agreement. It cannot be pulled out again as an argument for hiking basic wages.

The second explanation for the Histadrut's meekness may be that, true to long tradition, it is acting out of a sense of "national responsibility." If that is the case, it is high time for the leaders of the Histadrut to realize that it no longer has the integrative role it played in the formative stages of the state. Its job is to protect the interests of the workers, in a spirit of solidarity. It is not, or not any more, to ensure also the prosperity of business enterprise, whether private, public, or that of the Histadrut itself. The task of integrating the conflicting interests of different social groups and economic classes should be left where it belongs—to the government, whichever it may be.

If the government of the day does badly at that integration, as the present one has, that should be one of the main reasons for changing it. The Histadrut, on the other hand, by continuing to assume the role of a state within a state, is hopelessly out of date.

IAF JETS

(Continued from Page One)
here said there was no significance to this point.

In Beirut, the Christian Voice of Lebanon said three Israeli planes attacked military targets in the foothills of a mountain range straddling the Lebanese-Syrian border, while three other planes provided cover.

It said one of the targets was a base equipped with Soviet-made Sam ground-to-air missiles near the vil-

lage of Deir al-Ghazal, about 16 km. east of the town of Zahle, but did not specify who was manning the base. PLO forces have some positions in the Bekaa Valley, but only the Syrians are thought to have missile bases.

The Voice of Lebanon said there were a number of casualties in the raid. It named one man who died and another who was injured.

Several hours before the attack two Israeli planes flew over Beirut, according to the radio.

UNDERGROUND

(Continued from Page One)
prime minister's residence yesterday, but the crowds they expected to join them did not materialize. The demonstrators are calling for Levin's release.

Leviner "probably won't" be allowed to attend a memorial service called for today by the demonstrators to mark the 1980 Hebron massacre in which six Jews were killed by Arab terrorists outside Beit Hadasah. It was this attack, investigators believe, that prompted the assassination attempts against three West Bank mayors four years ago, in which two mayors were crippled and a police sapper blinded.

Legal sources said yesterday that the police are counting on two sus-

pects, still at large, to give themselves up "in the near future," so the police will not have to start a hunt for them. One of the men is in the U.S. and has been in touch with his lawyer. The other, an Ofra resident, has not been seen for two weeks by his lawyer or by any of the investigators.

Three of the suspects in the alleged underground were remanded into custody yesterday for another four days by order of Jerusalem Magistrate Court President Judge Aharon Simha. They were remanded with the agreement of their attorneys.

Simha also renewed the order banning the publication of the suspects' names and details of the crimes they are suspected of.

Brutalizing Zionism

By REUVEN ALBERG

WHAT WOULD you think of a "Zionist theory" which said that if the Jews of the world refuse to settle in Israel, then they should be rounded up and forced to settle here? The idea that the Arabs of Israel should all be shipped to Iraq is part of this same "theory."

You would probably say that these are the ideas of a "lunatic fringe" of Israeli life and that it is not a grave matter, since every institution should be allowed to have its lunatics on the outer fringes.

But the matter is more serious than it appears, because our country is filled with people who have similar extremist ideas.

The ideas expressed here are those of Abraham Sharon (formerly Schwadron), a publicist who lived here a generation ago. He has returned to public notice because two very important ideologists of the movement for the annexation of the West Bank and Gaza have come out with declarations that Sharon-Schwadron is their spiritual mentor.

The two annexation ideologists are Dr. Efraim Eilat and Zvi Shiloah.

Eilat is perhaps the most eloquent theorist of the Greater Israel movement, while Shiloah, the new Tehiya Knesset member (filling the vacancy caused by the resignation of Hanan Porat), is also a very prolific publicist. Anyone who reads the Hebrew press is acquainted with them.

And for the enthusiasts of Greater Israel, these men are two of the surest sources of ideological encouragement. It is to them, they turn most trustfully when they need "spiritual refreshment."

Since both men play such an important role in justifying the annexationist policy of our government and since both avow that they are loyal disciples of Abraham Sharon, it could be said that Sharon's extremist views are indirectly shaping our present policies.

TODAY IT IS fashionable to point to Rabbi Meir Kahane as the denizen of our lunatic fringe, but as one paper remarked, Kahane has exclusively been receiving all the opprobrium in this area; he has become "the official bad man" of Israeli life. At the same time, the implication of his ideas are becoming acceptable to a growing number of people here. And Sharon's ideas, which have much in common with Kahane's, are openly espoused by Eilat and Shiloah.

A book which summarizes Sharon's ideas was recently published in Hebrew by Moshe Yager. And

Eilat cannot find words enough with which to praise it.

He says in *Yediot Aharonot*: "In all my writings I have never said that any book is a 'must'; but this book is certainly a 'must.'"

Why does Eilat praise Sharon so profusely? Because he was so "clear-sighted and realistic." He believed that Jewish life in the Diaspora is basically impossible, that it will end either in destruction or assimilation. Of course, there is nothing novel in this pessimistic prognosis. But as a thesis it cannot be proved. It may happen in the foreseeable or distant future; it may not.

But see what an anti-human conclusion Sharon draws from this possible danger, a conclusion with which Eilat agrees in principle: everything imaginable must be done to get the Jews out of the Diaspora, even bringing them here by force, i.e. making agreements with foreign countries to expel their Jews to Israel.

Sharon, and Eilat, feel that Zionism should be "brutal." As Sharon said, "If you love your nation you must be brutal to its sons." Sharon is "happy" that the nations have made our lives uncomfortable.

Of course, together with this goes a refusal to believe that Judaism has anything in it to sustain Jews anywhere in a meaningful way of life. All real Zionists believe that it is better for Jews to come and live in Israel, but many of us believe that it is Jewish civilization above all else that makes us what we are, and not merely the fact that we live within certain geographical boundaries.

Many of us feel that Zionism is essentially a spiritual thing, and its most glorious expression is the fact that Jews can consciously choose it. Sharon and Eilat feel that Zionism is a product of catastrophe.

What a dismal situation to find oneself in: to feel that the only reason you live here is because everyone in the world hates you.

Of course, Sharon will have nothing to do with the ideas of liberalism and democracy. Eilat stresses the point that Sharon was up in arms over the fact that we gave the Arabs the right to vote in 1948.

"What righteous democrats we are!" he said. There is nothing in his philosophy that shows any hope for a progressively better world, a world in which the Jewish way can contribute to improving man's lot on this earth.

Certainly all Jews here would like to see a large number of Diaspora Jews come to live in Israel. But most of us, I would like to believe, are not among the people, of whom Sharon is the prototype, who want to see

Jews come here because of anti-Semitism abroad, people who expect anti-Semitism, who actually hope for anti-Semitism.

I would like to believe that we Jews are one people both here and overseas; that what unites us is our Jewish tradition, and that we do not need Jews to suffer outside Israel so that we in Israel can benefit. So that we can have more Jews here to balance the demographic advantage of the Arabs, if we annex the West Bank.

It would be wiser to leave the West Bank and its million-odd Arabs to Jordan and build up a real Jewish country within the Green Line.

LET US LOOK a little more closely at this matter of building our territorial future on the expectation of anti-Semitism.

The key country is the United States. If there is anti-Semitism in countries other than the United States, most of their Jews will not come to Israel. We know this from our recent experience with anti-Semitism in Russia, Iran and South America. Their Jews will go to America, Canada and Australia.

What about anti-Semitism in America itself? It does not seem very likely in the foreseeable future. Jews have lived in America in great freedom for 350 years.

Right now Americans are showing, not hatred to Jews, but heartfelt admiration; they are electing them to their Congress at a rate four times greater than the Jewish proportion of the population.

If there should be anti-Semitism of a mild type, Americans Jews would wait it out. And if really serious anti-Semitism ever arose in the United States, with avowed anti-Semites in Congress and a breakdown of protection under the law, even then the Jews would not come to Israel. The reason is simple: Israel would cease to exist.

Israel is a client state of America. Without American money and arms, Israel would collapse in short order. If it should ever happen that an important part of America, and the political forces representing that part, began persecuting the Jews, those same forces would see to it that the Jewish state got no support from the United States government.

Zvi Shiloah, the other important publicist who draws his inspiration from Abraham Sharon, outlined his views in a book he wrote after the Six Day War. He was asked recently by a *Ha'aretz* reporter whether he still held the same opinions. Yes, he said, his views had not changed one whit.

Shiloah stresses Sharon's proposal that all the Israeli Arabs be shipped to Arab countries. He takes the

Dry Bones



demographic problem very seriously. Of course, he says, we should annex the West Bank, and the only way we can prevent being swamped by the huge Arab population is by "transfer." Kahane uses the direct word "expulsion," but Shiloah, following Sharon, uses the more elegant word "transfer."

How would we do this? Not by force, says Shiloah. Perhaps we could pay them all to leave. Perhaps we could let unpleasantness here accumulate until they prefer to leave.

Would "unpleasantness" include such things as killing several hundred of them by blowing them up in buses?

"But we cannot force them," he says in his recent *Ha'aretz* interview. "After all, we are a liberal state. Perhaps this is not good, but that is the Jewish character."

WHAT IF THE Arabs refuse to leave? The annexationists' usual answer is: "Then they'll stay here, but suffer all the disabilities and indignities of being second-class citizens."

Shiloah feels that we Jews do not hate the Arabs; it is only the Arabs who hate the Jews, and this hatred will last for 1,000 years.

To bolster his case for the "transfer" of the Arabs, Shiloah cites in his book all the "transfers" that occurred in Eastern Europe at the time of the Second World War. We learn from this in great detail that all of these removals were made against the will of the people concerned. But this does not bother Shiloah.

He has another vision. We will create a federation of Israel, Jordan, and Kuwait, a great technological and military power, with Jews living all over the federation.

Let us pause here for a moment. Doesn't this proposal seem somewhat nightmarish? Here we will take land from the Arabs, expel many of them, make many of them second-class citizens, endure their hatred for 1,000 years—and at the same time cooperate with them in a federation and have Jews live everywhere in their territory. (As second-class citizens?)

But Shiloah would expand Israel not only by a federation to the east. He would also have us expand northwards. We must immediately annex Southern Lebanon, he says. We must seal it off hermetically and we must settle there, just as in the West Bank.

We must go further. We must take over a large part of Syria. If you look at a map of Israel at the time of King David—and this is the only thing that matters for many people like Shiloah—you will see that it includes an extensive area in Syria.

But Shiloah treats us to a surprise. In his book he tells us that on this point he disagrees with his friend Eilat. Eilat says he should absorb all Syria, but Shiloah would not take over Damascus, because this city is considered holy in the eyes of many Moslems.

I am sure the Arabs will now all feel relieved and duly appreciative.

The writer is a former teacher of history at Bar-Ilan University.

READERS' LETTERS

SMOKING ON BUSES

To the Editor of *The Jerusalem Post* Sir, — On May 3, I boarded Egged bus No. 444 at Ein Gedi. The bus had left Jerusalem at 5 p.m. and was bound for Eilat by way of the Dead Sea. Aboard that bus, I was witness to and involved in several incidents when passengers refused to stop smoking and drivers failed to properly enforce the rules against smoking on buses.

After I politely asked two women to stop smoking, informing them that it was illegal, they refused to stop and I went to bring the driver back to them. The driver asked the women to stop smoking, which they did, briefly. However, when he left, they immediately relit their cigarettes.

Then a woman asked someone else to stop smoking and was also forced to ask the driver to come back with her to the smoker's seat. At this point, the smoker hit the woman and then kicked her. The driver stood by and did nothing. She was told that neither would the drivers take the bus to the police station in Eilat, nor did they think the "addicted" smokers could be expected to go five hours without smoking — the 15-minute break at Ein Yabav notwithstanding. Needless to say, the smoking continued, at least until Kibbutz Grofit, where my friend and I got off the bus.

The attitude of the passengers was, by and large, that smokers need their cigarettes and that the law was simply a nuisance to be gotten around. And although their behaviour was rude (and sometimes illegal), it paled in comparison to that of the Egged drivers. They acted in an absolutely inexcusable way, permitting smoking and violence on their bus. They not only looked the other way, they blatantly admitted that they chose not to enforce the law, chose not to do their job and see to the protection and comfort of their passengers.

HELAINE GREENFELD
Jerusalem (New Haven, Conn.)

LITTLE PEOPLE OF ISRAEL

To the Editor of *The Jerusalem Post* Sir, — I wish to inform your readers about the establishment in Israel of a new organization, whose purpose is mutual self-help for families with short-statured children. Our organization, which will be a national one, will be an international chapter of the Parents' Auxiliary of the Little People of America. To obtain more information, you can call one of the following numbers:
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